

MUSTERA PROPERTY GROUP LTD
ABN 13 142 375 522

NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY STATEMENT
PROXY FORM

Date of Meeting

Monday, 30 November 2020

Time and Place of Meeting

3:00 p.m. (AWST)
15 McCabe Street
North Fremantle WA 6159

Important

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

Due to the ongoing COVID-19 pandemic, the Company is taking precautions to facilitate an in-person meeting in accordance with COVID-19 restrictions. If the situation in relation to COVID-19 changes in a way affecting the ability to facilitate an in-person meeting as currently proposed, the Company will provide a further update ahead of the Meeting by way of an ASX announcement on the ASX Market Announcements Platform.

NOTICE OF MEETING

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

Venue: 15 McCabe Street
North Fremantle WA 6159

Date: Monday, 30 November 2020

Time: 3:00 p.m. (AWST)

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

Agenda

Financial Report – Year Ended 30 June 2020 (no resolution required)

To receive and consider the 2020 Annual Report of the Company for the financial year ended 30 June 2020, together with the Directors' Report and the Auditor's Report.

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

Resolution 1 – Adoption of Remuneration Report

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

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2020 be adopted.”

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

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

Voting Prohibition Statement:

Pursuant to sections 250BD and 250R(4) of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

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

However, these voting prohibitions do not prevent the casting of a vote on the above Resolutions if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution, and it is not cast on behalf of a Related Party to whom the Resolution would permit a financial benefit to be given, or their Associate.

Members of Key Management Personnel and their closely Related Parties (other than the Chairperson) may not vote as proxy if the appointment does not specify how the proxy is to vote. The Chairperson may vote as proxy in accordance with an express authorisation for the Chair to exercise the proxy on the Proxy Form.

Resolution 2 – Re-election of Director – Mr Anthony Ho

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

“That for the purposes of Listing Rule 14.4, clause 13.2 of the Constitution and for all other purposes, Mr Anthony Ho retires, and being eligible offers himself for election, be elected as a Director.”

Resolution 3 – Approval of Additional Placement Facility

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

“That the Company have the additional capacity to issue equity securities provided for in Listing Rule 7.1A.”

Resolution 4 – Approval of the Performance Rights Plan

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

“That, pursuant to and in accordance with Listing Rule 7.2, exception 13(b), and for all other purposes, Shareholders approve the Company's Performance Rights Plan (Plan) in accordance with the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of a person who is eligible to participate in the Plan, or an associate of such person.

However, this does not apply to a vote cast in favour of Resolution 4 by:

- the person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chairperson as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- a holder acting solely in a nominee, trustee, custodial, or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 5 – Approval to issue 1,000,000 Performance Rights to Executive Director - Mr Nicholas Zborowski

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

“Subject to Shareholder approval of Resolution 4, that, for the purposes of section 195(4) and 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 1,000,000 Performance Rights to Mr Nicholas Zborowski, a Director of the Company, or his nominee, on the terms and conditions set out in the Explanatory Statement.”

Resolution 6 – Approval to issue 500,000 Performance Rights to Director - Mr Jack Spencer-Cotton

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

“Subject to Shareholder approval of Resolution 4, that, for the purposes of section 195(4) and 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 500,000 Performance Rights to Mr Jack Spencer-Cotton, a Director of the Company, or his nominee, on the terms and conditions set out in the Explanatory Statement.”

Resolution 7 – Approval to issue 500,000 Performance Rights to Director - Mr Anthony Ho

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

“Subject to Shareholder approval of Resolution 4, that, for the purposes of section 195(4) and 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 500,000 Performance Rights to Mr Anthony Ho, a Director of the Company, or his nominee, on the terms and conditions set out in the Explanatory Statement.”

NOTICE OF MEETING

Voting Exclusion Statement for Resolutions 5 to 7

Pursuant to the Listing Rules, the Company will disregard any votes by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2, or 10.14.3 who is eligible to participate in the Plan, or any of their respective associates.

However, this does not apply to a vote cast in favour of Resolutions 5 to 7 by:

- the person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial, or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - o the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - o the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement for Resolutions 5 to 7

A vote on Resolutions 5 to 7 must not be cast (in any capacity) by or on behalf of any of the following persons:

- a) The person named in each respective Resolution, or any other Closely Related Parties to whom the Resolution would permit a financial benefit to be given.
- b) Members of Key Management Personnel and their Closely Related Parties in the capacity as proxy, except as stated below.

However, these voting prohibitions do not prevent the casting of a vote on the above Resolutions if it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the Resolution, and it is not cast on behalf of a Related Party to whom the Resolution would permit a financial benefit to be given, or their Associate.

Members of Key Management Personnel and their Closely Related Parties (other than the Chair) may not vote as proxy if the appointment does not specify how the proxy is to vote. The Chair may vote as proxy in accordance with an express authorisation on the Proxy Form.

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.

Impact of COVID-19 on the Meeting

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19.

Based on the best information available to the Board at the time of the Notice, the Board considers it will be in a position to hold an in-person meeting to provide Shareholders with a reasonable opportunity to participate and vote at the Annual General Meeting, while complying with the COVID-19 restrictions regarding gatherings. The Company, however, strongly encourages Shareholders to submit proxies prior to the Meeting.

If the situation in relation to COVID-19 were to change in a way that affects the position above, the Company will provide an update ahead of the Meeting by releasing an ASX Announcement.

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 (e.g. 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.

Shareholders and their proxies should be aware that:

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

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

Voting Entitlements

For the purposes of section 1074E(2) of the Corporations Act 2001 and regulation 7.11.37 of the Corporations Regulations 2001, the Company has determined that members holding ordinary shares as set out in the Company's share register 48 hours before the Meeting will be entitled to attend and vote at the Annual General Meeting.

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.

Attorneys

If an attorney is to attend the Meeting on behalf of a Shareholder, a properly executed original (or originally certified copy) of an appropriate power of attorney must be received by the Company by the deadline for the receipt of Proxy Forms, being no later than 48 hours before the Annual General Meeting.

BY ORDER OF THE BOARD



Nicholas Zborowski
Executive Director

30 October 2020

EXPLANATORY STATEMENT

Introduction

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's Annual General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice.

This Explanatory Statement should be read in conjunction with the Notice. Capitalised terms used in this Notice and Explanatory Statement are defined in the Glossary.

Financial Statements and Report

Under the Corporations Act, the Directors of the Company must table the Financial Report, the Directors' Report and the Auditor's Report for the Company for the year ended 30 June 2020 (**2020 Annual Report**) at the Meeting.

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the 2020 Annual Report of the Company. The Company's 2020 Annual Report is available on its website at www.mustera.com.au.

There is no requirement either in the Corporations Act or the Company's Constitution for Shareholders to vote on, approve or adopt the 2020 Annual Report. Shareholders will have a reasonable opportunity at the Meeting to ask questions about or make comments on the 2020 Annual Report and on the management of the Company.

The Auditor of the Company is required to attend the Annual General Meeting and will be available to take Shareholders' questions about the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the Auditor in relation to the conduct of the audit.

Resolution 1 – Adoption of Remuneration Report

General

The Remuneration Report of the Company for the financial year ended 30 June 2020 is included in the Directors' Report of the 2020 Annual Report. The Remuneration Report sets out the Company's remuneration policy and the remuneration arrangements in place for the executive Director, specified executives and non-executive Directors.

Voting consequences

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors or the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

In accordance with Division 9 of Part 2G.2 of the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must go up for re-election.

At the Company's 2019 annual general meeting, all of the votes cast by those Shareholders who exercised their right to vote were in favour of the remuneration report for the 2019 financial year. Accordingly, the Spill Resolution is not relevant for the 2020 Annual General Meeting.

Voting intention

If the Chair of the Meeting is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention.

Given the material personal interests of all Directors in this Resolution, the Board makes no recommendation to Shareholders regarding Resolution 1.

Resolution 2 – Re-election of Director – Mr Anthony Ho

General

Clause 13.2 of the Constitution requires that at every annual general meeting, one third of the Directors must retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years. A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is longer. However, a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the entity. The rule does not apply to the managing director (but if there is more than one, only one is entitled not to be subject to re-election).

Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

A director who retires by rotation under clause 13.2 of the Constitution or Listing Rule 14.4 is eligible for re-election.

Mr Anthony Ho retires by rotation at this Meeting and, being eligible, offers himself for re-election.

Mr Ho has been involved in the accounting, financial services and corporate advisory sector for over 30 years and is presently a principal of a consultancy firm specialising in providing corporate and financial services to ASX-listed companies. Prior to establishing his firm in 1991, he spent 7 years in a senior corporate role with a major investment and resource group in Western Australia. He is currently a director of a number of companies listed on ASX.

The Board considers Mr Ho to be an independent director because as a non-executive director, he is free from any interest, position, association or relation that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of his judgement.

If Resolution 2 is passed, Mr Ho will be re-appointed as a Non-Executive Director of the Company.

If Resolution 2 is not passed, Mr Ho will no longer be a Director of the Company.

Board recommendation

The Board has considered Mr Ho's performance since his appointment to the Board and considers that Mr Ho's skills and experience will continue to enhance the Board's ability to perform its role.

The Board (other than Mr Ho) is not aware of any additional information that would be considered material to Shareholders' decision to elect Mr Ho and recommends Shareholders vote in favour of the Resolution.

Voting intention

The Chair of the Meeting intends to vote all undirected proxies in favour of Resolution 2.

EXPLANATORY STATEMENT

Resolution 3 – Approval of Additional Placement Facility

General

Resolution 3 seeks Shareholder approval for an additional issuing capacity under ASX Listing Rule 7.1A (**Additional Placement Facility**).

If approved, Resolution 3 would enable the Company to issue additional Equity Securities (calculated below) over a 12-month period without obtaining Shareholder approval.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without approval of its shareholders over any 12-month period to 15% of the fully-paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

An “eligible entity” means an entity which is not included in the S&P/ASX 300 index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

Resolution 3 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without Shareholder approval.

If Resolution 3 is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 3 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

Information on Additional Placement Facility

(a) Quoted securities

Any Equity Securities issued under the Additional Placement Facility must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX.

As at the date of this Notice, the Company has only one class of Equity Securities quoted on ASX, being its fully-paid ordinary Shares.

(b) Formula for Additional Placement Facility

If this Resolution 3 is passed, the Company may issue or agree to issue, during the 12-month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula.

$$\text{Additional Placement Capacity} = (A \times D) - E$$

where:

- A = the number of fully-paid ordinary securities on issue at the commencement of the relevant period:
- plus the number of fully-paid ordinary securities issued in the relevant period under an exception in ASX Listing Rule 7.2 other than exception 9, 16, or 17;
 - plus the number of fully-paid ordinary securities issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
 - o the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or

- o the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;
 - plus the number of fully-paid ordinary securities issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
 - o the agreement was entered into before the commencement of the relevant period; or
 - o the agreement or issue was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;
 - plus the number of fully paid ordinary securities issued in the relevant period with approval under Listing Rule 7.1 or ASX Listing Rule 7.4;
 - plus the number of partly-paid ordinary securities that became fully-paid in the relevant period;
 - less the number of fully-paid ordinary securities cancelled in the relevant period;
- D = 10%; and
E = the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

ASX Listing Rule requirements

In accordance with Listing Rule 7.3A, the following information is provided in relation to the proposed approval of the Additional Placement Facility:

(a) Period for which the approval will be valid

The Additional Placement Facility would commence on the date of the Meeting and expire on the first to occur of the following:

- the date that is 12 months after this Meeting (i.e. 30 November 2021);
- the time and date of the Company's next annual general meeting; or
- the time and date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

(b) Minimum price at which equity securities may be issued

Any Equity Securities issued under the Additional Placement Facility must be in an existing quoted class of the Company's securities and issued for cash consideration per security which is not less than 75% of the VWAP for securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the securities are to be issued is agreed; or
- if the securities are not issued within 10 trading days of the above date, the date on which the securities are issued.

(c) Purposes for which the funds raised by an issue of equity securities may be used

The Company may seek to issue Equity Securities under the Additional Placement Facility for cash consideration to fund business growth (including in relation to development of the Company's business), to acquire new assets or make investments, to develop the Company's existing assets and operations, and for general working capital.

(d) Risk of economic and voting dilution

If Resolution 3 is passed and the Company issues securities under the Additional Placement Facility, there will be a risk to existing Shareholders of economic and voting dilution, including the risk that:

- the market price for Equity Securities in the same class may be significantly lower on the issue date of the new Equity Securities than on the date of this Meeting; and

EXPLANATORY STATEMENT

- the new Equity Securities may be issued at a price that is at a discount to the market price for Equity Securities in the same class on the issue date.

The table below identifies the potential dilution to existing Shareholders following the issue of Equity Securities under the Additional Placement Facility (based on the formula set out above) using different variables for the number of issued Shares and the market price of Shares.

The numbers are calculated on the basis of the latest available market price of Shares before the date of this Notice and the current number of Shares on issue.

Variable A in Listing Rule 7.1A.2	Number of Shares issued under the Additional Placement Facility	Dilution		
		Funds raised based on an issue price of \$0.135 (50% decrease in Market Price)	Funds raised based on an issue price of \$0.270 (Current Market Price)	Funds raised based on an issue price of \$0.405 (50% increase in Market Price)
Current Variable A 116,226,221	11,622,622	\$1,569,054	\$3,138,108	\$4,707,162
50% increase in current Variable A 174,339,332	17,433,933	\$2,353,581	\$4,707,162	\$7,060,743
100% increase in current Variable A 232,452,442	23,245,244	\$3,138,108	\$6,276,216	\$9,414,324

Notes: The above table has been prepared on the following bases/assumptions:

- The latest available market price of Shares as at the date of the Notice was \$0.270.
- The Company issues the maximum number of Equity Securities available under the Additional Placement Facility.
- Existing Shareholders' holdings do not change from the date of this Meeting to the date of the issue under the Additional Placement Facility.
- The Company issues Shares only and does not issue other types of Equity Securities (such as Options) under the Additional Placement Facility.
- The impact of additional issues of securities under ASX Listing Rule 7.1 or following the exercise of options is not included in the calculations.
- Economic dilution for the table above is calculated using the following formula:

$$ED = (MP - (NMC / TS)) / MP$$

where:

- MC** = market capitalisation prior to issue of Equity Securities, being the MP multiplied by the number of Shares on issue;
- MP** = the market price of Shares traded on ASX, expressed as in dollars;
- NMC** = notional market capitalisation, being the market capitalisation plus the NSV;
- NSV** = new security value, being the number of new Equity Securities multiplied by the issue price of those Equity Securities; and
- TS** = total Shares on issue following new Equity Security issue.

(e) Allocation policy

The Company's allocation policy for the issue of Equity Securities under the Additional Placement Facility will depend on the prevailing market conditions at the time of the proposed issue. The allottees will be determined on a case-by-case basis having regard to the factors such as:

- the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing Security holders can participate;
- the effect of the issue of the new securities on the control of the Company;
- the financial situation and solvency of the Company; and
- advice from corporate and other advisors.

As at the date of this Notice, the Company has not identified any proposed allottees of Equity Securities using the Additional Placement Facility. However, the eventual allottees may include existing substantial Shareholders, other Shareholders and/or new investors.

None of the allottees will be a related party or an associate of a related party of the Company, except as permitted under Listing Rule 7.2. Existing Shareholders may or may not be entitled to subscribe for Equity Securities under the Additional Placement Facility and it is possible that their shareholding will be diluted.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.3 upon issue of any Equity Securities under the Additional Placement Facility.

(f) Previous issues under Listing Rule 7.1A in previous 12 months

The Company did not make any issues pursuant to Listing Rule 7.1A the 12 months prior to the Meeting.

Board recommendation

The Board believes that Resolution 3 is in the best interests of the Company and recommends that Shareholders vote in favour of this Resolution.

Voting intention

The Chair of the Meeting intends to vote all undirected proxies in favour of the Resolution.

Resolution 4 – Approval of the Performance Rights Plan

General

Resolution 4 seeks Shareholder approval for the adoption of the Company's Performance Rights Plan (**Plan**) in accordance with Listing Rule 7.2 (Exception 13(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 13(b)) sets out an exception to Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to Listing Rule 7.1.

The Plan will be used as part of the remuneration planning for eligible participants. It will provide flexibility to the Company's remuneration arrangements and create a mutual interdependence between eligible participants and the Company for the longer term benefit of both parties.

Under the Plan, eligible participants may be awarded rights (**Performance Rights**) to be issued and allotted fully paid ordinary shares for nil consideration, provided that certain performance conditions have been met either over a short or long term. The performance conditions for each Performance Right will be

EXPLANATORY STATEMENT

determined by the Board prior to the offer.

Each Performance Right can be converted into one fully paid ordinary share of the Company, subject to any adjustment in accordance with the Plan. The Board will be responsible for assessing whether the performance conditions have been achieved.

The Board considers that the Plan provides the Company with the appropriate means of:

- (a) rewarding eligible employees for past performance;
- (b) providing long term incentives for participation in the Company's future growth;
- (c) motivating eligible employees and generating loyalty; and
- (d) assisting to retain the services of valuable eligible employees.

The objective of the Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Plan and the future issues of securities under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future issues of securities under the Plan to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under Listing Rule 10.14 at the relevant time.

If Resolution 4 is passed, the Company will be able to issue a limited number of securities under the Plan to eligible participants over a period of 3 years without impacting on the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 4 is not passed, the Company will not be able to rely on Listing Rule 7.2, exception 13(b) and the issue of securities under the Plan to eligible participants will remain subject to the 15% placement capacity on issuing securities without Shareholder approval as set out in Listing Rule 7.1

Specific information required by Listing Rule 7.2

In accordance with Listing Rule 7.2 exception 13(b), the following information is provided in relation to the proposed approval of the issue of securities under the Plan:

(a) Summary of the terms of the scheme

A summary of the key terms and conditions of the Plan are set out in Schedule 1. In addition, a copy of the Plan is accessible on the Company's website at www.mustera.com.au. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

(b) Number of securities issued under the scheme since the last approval

The Plan, if approved by Shareholders, will be the first employee incentive scheme to be adopted by the Company.

(c) Maximum number of equity securities proposed to be issued under the scheme

The maximum number of securities proposed to be issued by the Company under the Plan over the next 3 years is 5,811,311 Shares (being 5% of the Company's current issued capital of 116,226,221 Shares).

(d) Voting exclusion statement

A voting exclusion statement is included in the Notice.

Board recommendation

For good corporate governance reasons, the Board does not make a recommendation for this Resolution.

Voting intention

The Chair of the Meeting intends to vote all undirected proxies in favour of the Resolution.

Resolutions 5 to 7 – Approval of the issue of Performance Rights to Directors

General

Resolutions 5 to 7 seek Shareholder approval pursuant to Listing Rule 10.14 and Chapter 2E of the Corporations Act to issue up to a total of 2,000,000 Performance Rights to Messrs Nicholas Zborowski, Jack Spencer-Cotton and Anthony Ho (**Directors**), or their respective nominees, under the Company's Plan, which is the subject of Resolution 4, as follows:

Director	Class A Performance Rights	Class B Performance Rights	Total
N Zborowski	500,000	500,000	1,000,000
J Spencer-Cotton	250,000	250,000	500,000
A Ho	250,000	250,000	500,000

A summary of the key terms and conditions of the Plan are set out in Schedule 1. In addition, a copy of the Plan is accessible on the Company's website at www.mustera.com.au.

The Company has carefully considered key project and business objectives and believe that offering the Performance Rights is an appropriate method for linking the Company's current remuneration structure to the achievement of medium-term goals, as it embarks on the development of its flagship project, Forbes Residences.

Forbes Residences, located in the riverside suburb of Applecross, Western Australia, will feature a mix of 57 residential apartments together with food and beverage and commercial space and the Company aims to deliver a world-class development in terms of its design, its amenity and its approach to sustainability.

The Performance Rights will be subject to the terms and conditions set out in Schedule 2 and vest as follows:

- (a) **Class A Milestone:** Upon announcement by the Company on the ASX market announcements platform that it has achieved committed pre-sales equal to or greater than 50% of the 57 residential apartments at Forbes Residences; and
- (b) **Class B Milestone:** Upon announcement by the Company on the ASX market announcements platform that it has entered into a Construction Contract for the development of Forbes Residences.

Resolutions 5 to 7 are ordinary resolutions.

Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- 10.14.1—a director of the company;
- 10.14.2—an Associate of a director of the company; or
- 10.14.3—a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders, unless it obtains the approval of its shareholders.

The issue of the Performance Rights falls within Listing Rule 10.14.1 above and therefore requires the approval of the Company's Shareholders under Listing Rule 10.14.

Resolutions 5 to 7 seek the required Shareholder approval to the issue of the Performance Rights under and for the purposes of Listing Rule 10.14.

Each of Resolutions 5 to 7 is conditional on the passing of Resolution 4, meaning that if Shareholder approval is not obtained at the Meeting for Resolution 4, the proposed issues the subject of Resolutions 5 to 7 will not proceed.

EXPLANATORY STATEMENT

If any of Resolutions 5 to 7 are passed, the Company will be able to proceed with the issue and the relevant Director will be issued the Performance Rights under that Resolution.

If any of Resolutions 5 to 7 are not passed, the Company will not be able to proceed with the issue and the relevant Director will not be issued the Performance Rights under that defeated Resolution.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party (such as a director) of the company without shareholder approval unless either:

- (a) the giving of the financial benefit falls within one of the exceptions set out in sections 210 to 216 of the Corporations Act; or
- (b) shareholder approval is obtained prior to the giving of the financial benefit.

The grant of the Performance Rights constitutes giving a financial benefit as the Directors are related parties of the Company by virtue of being directors. It is the view of the Directors that the exceptions under Chapter 2E of the Corporations Act may not apply in the current circumstances.

Accordingly, Shareholder approval pursuant to Chapter 2E of the Corporations Act is sought for the proposed issue of the Performance Rights to the Directors (or their nominees).

Chapter 2E of the Corporations Act

Section 208 of the Corporations Act provides that a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The offer of Performance Rights to the Directors (or their nominees), as contemplated by Resolutions 5 to 7, constitutes the giving a financial benefit for the purposes of the Corporations Act to each of the named Directors as Related Parties of the Company.

Accordingly, Shareholder approval is sought for the purposes of section 208 of the Corporations Act.

Section 195 of the Corporations Act

Section 195(1) of the Corporations Act provides a general restriction on a director who has a material personal interest in a matter being considered at a directors' meeting from being present during any discussion on the resolution or voting on the resolution at the directors' meeting.

Section 195(4) of the Corporations Act provides that where there are insufficient directors to form a quorum at a directors' meeting because of section 195(1), the directors can call a general meeting of shareholders to consider the matter.

The Directors are unable to form a quorum to consider any matters relating to the proposed issue of the Performance Rights under Resolutions 5 to 7, as each Director has a material interest in the outcome of their respective Resolution. Therefore, the Directors are seeking Shareholder approval under section 195(4) of the Corporations Act regarding the matter.

Specific information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of Performance Rights under Resolutions 5 to 7:

- (a) **Name of the person**
Resolutions 5 to 7 contemplate the issue of Performance Rights to Messrs Nicholas Zborowski, Jack Spencer-Cotton and Anthony Ho (or their nominees) respectively.
- (b) **Which category in Listing Rules 10.14.1—10.14.3 the person falls within and why**
Each of Messrs Zborowski, Spencer-Cotton and Ho are Directors of the Company and therefore fall within Listing Rule 10.14.1.
- (c) **The number and class of securities proposed to be issued to the person**
It is proposed that 1,000,000 Performance Rights be issued to Mr Zborowski and 500,000 Performance Rights be issued to each of Messrs Spencer-Cotton and Ho.
- (d) **Details of the Directors' current total remuneration package**
Details of the Directors' current total remuneration packages are set out below.

Director	Remuneration (FY20) (\$)	Remuneration (FY19) (\$)
N Zborowski	203,094	220,272
J Spencer-Cotton	21,900	21,900
A Ho	20,000	20,000

- (e) **The number and acquisition price of securities previously issued to the recipients under the Plan**
Nil.
- (f) **Material terms of securities and reason for issue**
The Performance Rights terms and conditions, and the Milestone for each class of Performance Rights, are set out in Schedule 2.
- (g) **Date of issue**
The Performance Rights will be issued as soon as possible after the Meeting and likely on the same date.
- (h) **Price of issue**
The Performance Rights will be issued for nil consideration.
- (i) **Material terms of the Plan**
A summary of the key terms and conditions of the Plan are set out in Schedule 1. In addition, a copy of the Plan is accessible on the Company's website at www.mustera.com.au.
- (j) **A summary of the material terms of any loan that will be made to the person in relation to the acquisition**
No loan has been or will be given to Messrs Nicholas Zborowski, Jack Spencer-Cotton and Anthony Ho in relation to the grant of the Performance Rights.
- (k) **Statement**
As required by Listing Rule 10.15.11, the Company confirms that:
 - Details of any securities issued under the Plan will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
 - Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

EXPLANATORY STATEMENT

Specific information required by Chapter 2E of the Corporations Act

Section 219 of the Corporations Act requires that the following information be provided to Shareholders in relation to Resolutions 5 to 7 for the purposes of obtaining approval under Section 208 of the Corporations Act:

(a) Names of the Related Parties

The names of the Related Parties are:

- (i) in respect of Resolution 5 – Mr Nicholas Zborowski (or his nominee);
- (ii) in respect of Resolution 6 – Mr Jack Spencer-Cotton (or his nominee); and
- (iii) in respect of Resolution 7 – Mr Anthony Ho (or his nominee).

(b) Nature of the financial benefit

The nature of financial benefit that will be given to the Directors (or their nominees) of the Company if Resolutions 5 to 7 are approved is the issue of a total of 2,000,000 Performance Rights as follows:

- (i) Mr Nicholas Zborowski (or his nominee) is to be granted 1,000,000 Performance Rights.
- (ii) Mr Jack Spencer-Cotton (or his nominee) is to be granted 500,000 Performance Rights.
- (iii) Mr Anthony Ho (or his nominee) is to be granted 500,000 Performance Rights.

(c) Value of the financial benefit

A valuation of the Performance Rights is set out in Schedule 3.

(d) Remuneration of Related Parties

Details of the Directors' current total remuneration packages are set out below.

Director	Remuneration (FY20) (\$)	Remuneration (FY19) (\$)
N Zborowski	203,094	220,272
J Spencer-Cotton	21,900	32,447
A Ho	20,000	20,000

(e) Security holdings of Related Parties

The table below sets out the securities and rights in the Company in which the Directors have a direct or indirect interest at the date of the Notice. The table does not include the Performance Rights to be issued to the Directors subject to Shareholder approval of Resolutions 5 to 7:

Director	Shares	Options
N Zborowski ¹	1,633,450	2,000,000
J Spencer-Cotton ²	1,409,401	1,000,000
A Ho ³	2,096,394	1,000,000

Notes:

1. Existing unquoted options held are comprised of 1,000,000 exercisable at \$0.37 each on or before 30 September 2021 and 1,000,000 exercisable at \$0.46 each on or before 30 November 2023.
2. Existing unquoted options held are comprised of 500,000 exercisable at \$0.37 each on or before 30 September 2021 and 500,000 exercisable at \$0.46 each on or before 30 November 2023.
3. Existing unquoted options held are comprised of 500,000 exercisable at \$0.37 each on or before 30 September 2021 and 500,000 exercisable at \$0.46 each on or before 30 November 2023.

(f) Voting interests and voting power

If the Performance Rights granted to the Directors vest and are subsequently exercised, a total of 2,000,000 Shares would be issued. This will increase the number of Shares on issue from 116,226,221 to 118,226,221 (assuming that no other Options

are exercised, and no other Shares are issued), the respective interests of the Directors in the Company would be as follows:

- (i) Mr Zborowski's interest would represent approximately 2.23% of the Company's expanded capital;
- (ii) Mr Spencer-Cotton's interest would represent approximately 1.44% of the Company's expanded capital; and
- (iii) Mr Ho's interest would represent approximately 2.13% of the Company's expanded capital.

(g) Trading History

The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.32	21 November 2019
Lowest	\$0.24	23 September 2020
Last	\$0.27	16 October 2020

(h) Dilution

If Resolutions 5 to 7 are approved, a total of 2,000,000 Performance Rights will be offered to Messrs Zborowski, Spencer-Cotton and Ho (or their nominees). The offer of these Performance Rights will not, at the time of grant, have any dilution effect to the shareholding interests of existing Shareholders.

If 2,000,000 Performance Rights are exercised by each Director into Shares, the dilution to the shareholding interests of existing Shareholders will be approximately 1.7%.

(i) Funds raised

The Performance Rights are being offered to the Directors (or their nominees) at a nil issue price, accordingly, the Company will not raise any funds from the issue of the Performance Rights.

(j) Directors' interests in the proposed Resolutions

Nicholas Zborowski has a material personal interest in the outcome of Resolution 5 and will be the only Director to receive a benefit from that Resolution.

Jack Spencer-Cotton has a material personal interest in the outcome of Resolution 6 and will be the only Director to receive a benefit from that Resolution.

Anthony Ho has a material personal interest in the outcome of Resolution 7 and will be the only Director to receive a benefit from that Resolution.

Recommendations of Directors

Each recipient of Performance Rights as contemplated by Resolutions 5 to 7 is a Related Party of the Company by virtue of being a Director of the Company.

In the interests of good corporate governance, Messrs Zborowski, Spencer-Cotton and Ho decline to make any recommendations as to how Shareholders should vote on any of Resolutions 5 to 7 (not just in respect of those Resolutions in which they individually have a material personal interest) as they may each acquire a relevant interest in Performance Rights if Resolutions 5 to 7 are approved.

EXPLANATORY STATEMENT

Glossary

2020 Annual Report means the annual financial report of the Company for the year ended 30 June 2020.

\$ means an Australian dollar.

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

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and where the context permits the Australian Securities Exchange operated by ASX Limited.

Auditor refers to the auditor of the Company, BDO Audit (WA) Pty Ltd (ACN 112 284 787)

AWST means Western Standard Time, as observed in Perth, Western Australia.

Board means the current board of directors of the Company.

Chair means the Chair of the Meeting.

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

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant 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; a company the member controls; or
- (e) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

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

Constitution means the Company's constitution.

Construction Contract means a binding contract between the Company (or any of its related bodies corporate, within the meaning of that term under the Corporations Act) and the principal builder of the Forbes Residences under which the principal builder is engaged to construct (directly or through subcontractors) the Forbes Residences. For the avoidance of doubt, the Construction Contract does not include any subcontract arrangements entered into between the principal builder and any subcontractor.

Corporations Act means the Corporations Act 2001 (Cth).

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

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Security means:

- (a) a share;
- (b) a unit in a trust;
- (c) a right to a share or option or unit in a trust;
- (d) an option over an issued or unissued security;
- (e) a convertible security; or
- (f) any security that ASX decides to classify as an equity security.

Explanatory Statement means this explanatory statement accompanying this Notice.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling

the activities of the Company, including any director (whether executive or otherwise) of the Company.

Listing Rules mean the official listing rules of ASX.

Milestone means the milestone as defined in Schedule 2.

Notice means the notice convening the 2020 Annual General Meeting of the Company, including the Explanatory Statement and the Proxy Form.

Performance Rights means the performance rights the subject of Resolutions 5 to 7 and as set out in the Explanatory Statement and Schedule 2.

Plan means the Company's Performance Rights Plan the subject of Resolution 4 of the Notice.

Proxy Form means the proxy form accompanying this 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 2020.

Resolutions mean the resolutions set out in this Notice, or any one of them, as the context requires.

Section means a section of this Notice.

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

Shareholder means a member of the Company.

VWAP volume weighted average price.

SCHEDULE 1 – SUMMARY OF THE PERFORMANCE RIGHTS PLAN

A summary of the terms of the Mustera Property Group Ltd Performance Rights Plan (**Plan**) is set out below:

Offers

The Company may from time to time during the operation of the Plan make an offer in writing to any eligible participant specifying:

- the number of Performance Rights for which the eligible participant may subscribe;
- the period during which the offer may be accepted;
- any conditions that will apply;
- the period (if any) that an eligible participant must wait before any ordinary shares acquired on the exercise of any Right may be disposed of;
- the date on which the eligible participant's right to subscribe for and be issued or transferred ordinary shares will lapse;
- circumstances in which the eligible participant's right to subscribe for and be issued or transferred ordinary shares will lapse; and
- any other matters required to be specified by the Corporations Act or the ASX Listing Rules.

Eligible Participants

Any full-time or part-time employee, or any Director of the Company or any subsidiary and any casual employee, consultant or contractor, subject to the necessary ASIC relief being obtained.

Grant of Performance Rights

Performance Rights offered to an eligible participant will entitle the eligible participant to subscribe for and be issued the relevant number of fully paid ordinary shares.

Exercise price

There will be no exercise price required to be paid on exercise of the Right.

Not transferable

Performance Rights are not transferable.

Vesting conditions

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

If a participant dies, becomes permanently disabled, is retrenched, reaches the age of retirement or is given a bona fide redundancy, or if the Company is in the process of winding-up, and at that time the participant holds Performance Rights which are subject to the satisfaction of any relevant vesting condition, the Board may resolve that all or a specified number of the participant's Performance Rights vest immediately.

Cessation of employment

If a participant ceases to be an employee before or after he or she has satisfied the vesting conditions attaching to an offer of Performance Rights, then all rights in respect of those Performance Rights lapse, unless the participant ceases to be an employee by reason of death, permanent disability, retrenchment, retirement or redundancy.

Death, permanent disability, retirement, retrenchment or redundancy

If a participant dies, becomes permanently disabled, is retrenched, reaches the age of retirement or is given a bona fide redundancy, and at that time the participant holds a right to subscribe for ordinary shares (whether or not subject to satisfaction of any relevant vesting condition), the participant, or in the event of death or legal incapacity, the participant's legal personal representative, retains the Performance Rights subject to lapsing for any other reason under the Plan.

Adjustments and reorganisations

A participant has no right to any variation in the offer price or the number of securities to be granted in an offer of shares upon the occurrence of a new issue of shares or other securities to holders of shares, unless the participant has validly exercised their Performance Rights in accordance with the Plan prior to the record date for the new issue.

In respect of a participant who has accepted an offer of Performance Rights, if there is a bonus issue to the Company's Shareholders prior to the time at which the Right has been exercised, that participant will be entitled, upon later issue of the relevant ordinary shares, to receive an issue of so many additional shares as would have been issued to a Shareholder who, on the record date for determining entitlements under the bonus issue, held ordinary shares equal in number to the shares comprised in the offer of Performance Rights.

In the event of any reorganisation of the issued capital of the Company other than a bonus issue, the rights of each participant will be changed to the extent necessary to comply with the ASX Listing Rules (where relevant) applying to a reorganisation of capital of a body corporate.

Takeover

If the Board determines that there has been a change of control of the Company, the replacement of a majority of the Board is imminent or that a bidder who did not have a relevant interest in more than 50% of the Company's issued shares has acquired (or become entitled to acquire) a relevant interest in more than 50% of the Company's issued shares, then the Board may resolve that the Company notify each participant in writing that some or all of the participant's unvested Performance Rights have vested on the basis of a pro-rated achievement of any vesting conditions applying to those unvested Performance Rights.

Termination or suspension

Subject to the Listing Rules, the Plan may be amended at any time by a resolution of the Board.

Plan Limit

The Directors will not make an Offer or issue Performance Rights in accordance with the Plan unless they have reasonable grounds to believe that the number of underlying Shares that form part of the issued capital of the Company that have been or may be issued in any of the circumstances covered by the following paragraphs will not exceed 5% of the total number of underlying Shares in that class on issue:

- Underlying Shares that may be issued under the Offer; and
- Underlying shares issued or that may be issued as a result of offers made at any time during the previous 3-year period under:
 - (a) an employee incentive scheme covered by ASIC Class Order [CO 14/1000];
 - (b) an ASIC exempt arrangement of a similar kind to an employee incentive scheme.

SCHEDULE 2 – TERMS AND CONDITIONS OF THE PERFORMANCE RIGHTS

A summary of the key terms of the Performance Rights is set out below:

Entitlement

The Performance Rights entitle the holder (**Holder**) to subscribe for one Share upon the conversion of the Performance Rights. The Performance Rights will be granted for nil cash consideration.

Conversion price

The conversion price of each Performance Right is nil.

Vesting Conditions

Subject to these terms and conditions, the vesting of a Performance Right subject to the satisfaction of the relevant milestones specified below (each referred to as a **Milestone**):

Performance Right	Applicable Milestone	Expiry Date	Number
Class A	Class A Performance Rights will vest upon announcement by the Company on the ASX market announcements platform that it has achieved committed pre-sales equal to or greater than 50% of the 57 residential apartments at Forbes Residences.	3 years from the date of issue	1,000,000
Class B	Class B Performance Rights will vest upon announcement by the Company on the ASX market announcements platform that it has entered into a Construction Contract for the development of Forbes Residences.	3 years from the date of issue	1,000,000

Notes:

1. Construction Contract means a binding contract between the Company (or any of its related bodies corporate, within the meaning of that term under the Corporations Act) and the principal builder of the Forbes Residences under which the principal builder is engaged to construct (directly or through subcontractors) the Forbes Residences. For the avoidance of doubt, the Construction Contract does not include any subcontract arrangements entered into between the principal builder and any subcontractor.

Change of Control

Upon:

- (a) a takeover bid under Chapter 6 of the Corporations Act having:
 - (i) been made in respect of the Company;
 - (ii) received acceptances for not less than 50.1% of the Company's shares on issue; and
 - (iii) been declared unconditional by the bidder; or
- (b) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies, then, to the extent the Performance Rights have not vested due to satisfaction of the Vesting Condition, the Performance Rights automatically vest to that number of Shares which when issued together with all Shares issued under any other class of Performance Rights then on issue, is equal to the lesser of one Share per Performance Right and 10% of the total Shares on issue in the Company at that time. Performance Rights that are not vested and converted into Shares will continue to be held by the holder on the same terms and conditions.

Takeovers Limitation

Notwithstanding any other provisions of these terms, if the conversion of any Performance Rights would result in any person being in breach of section 606(1) of the Corporations Act, the conversion of each Performance Right that would cause the contravention will be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1).

Expiry of Performance Rights

A Performance Right will lapse upon the relevant Milestone becoming incapable of satisfaction on or before the date that is 3 years from the date of issue.

Shares Issued on Exercise

Shares issued on the exercise of a Performance Rights rank equally with the then Shares of the Company.

No cash consideration

The Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the issue of Shares after vesting.

Timing of issue of Shares

- (a) As soon as practicable after the satisfaction of a Performance Right Milestone, the Company shall give written notice to the holder that the relevant Milestone has been satisfied.
- (b) As soon as practicable after the later of the following:
 - (i) the Company receives a notice of conversion or the Performance Rights; and
 - (ii) excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceasing to be excluded information,the Company will:
 - (iii) issue the Shares pursuant to the exercise of the Performance Rights;
 - (iv) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (v) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Performance Rights.

Quotation

The Company will not apply for quotation of the Performance Rights on ASX.

SCHEDULE 2 – TERMS AND CONDITIONS OF THE PERFORMANCE RIGHTS

Transferability of Performance Rights

The Performance Rights are not transferable.

Participation in New Issues

There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to shareholders such as bonus issues and entitlement issues.

Adjustments for Reorganisation

If there is any reorganisation of the issued share capital of the Company, the rights of the holders of Performance Rights will be varied in accordance with the Listing Rules.

Voting rights

A Performance Right does not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.

Dividend rights

A Performance Right does not entitle the Holder to any dividends.

Return of capital rights

The Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

Rights on winding up

The Performance Rights have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.

Performance Rights Plan

The Performance Rights are subject to the provisions of the Company's Performance Rights Plan.

SCHEDULE 3 – VALUATION OF THE PERFORMANCE RIGHTS

The Performance Rights to be issued to Messrs Nicholas Zborowski, Jack Spencer-Cotton and Anthony Ho pursuant to Resolutions 5 to 7 have been valued by internal management.

Using Black & Scholes valuation model and based on the assumptions set out below, the indicative theoretical value of the Performance Rights is set out below.

Assumptions	Class A Performance Rights	Class B Performance Rights
Valuation Date	16 October 2020	16 October 2020
Market price of Shares (at Valuation Date)	\$0.27	\$0.27
Exercise price	Nil	Nil
Performance/ vesting period (years)	3 years	3 years
Risk free interest rate	0.13%	0.13%
Share price volatility	14.84%	14.84%
Dividend yield	Nil	Nil
Theoretical value per Performance Right	\$0.27	\$0.27
Number of Performance Rights per Tranche	1,000,000	1,000,000
Total theoretical value per Tranche	\$270,000	\$270,000

Indicative theoretical value of Rights	Class A Performance Rights	Class B Performance Rights
Mr Nicholas Zborowski	\$135,000	\$135,000
Mr Jack Spencer-Cotton	\$67,500	\$67,500
Mr Anthony Ho	\$67,500	\$67,500

Notes:

Australian Accounting Standards require the Performance Rights to be expensed over the vesting period in accordance with AASB 2 – Share Based Payments. Accordingly, the Performance Rights are expected to be expensed over a 3-year period. Expensing the Performance Rights will have the effect of increasing both expenses and the equity of the Company. There will be no impact on the net assets, cash position or financial resources of the Company as a result of expensing the Performance Rights.

LODGE YOUR PROXY APPOINTMENT ONLINE

 **ONLINE PROXY APPOINTMENT**
www.advancedshare.com.au/investor-login

 **MOBILE DEVICE PROXY APPOINTMENT**
Lodge your proxy by scanning the QR code below, and enter your registered postcode.
It is a fast, convenient and a secure way to lodge your vote.

2020 ANNUAL GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Mustera Property Group Ltd and entitled to attend and vote hereby:

APPOINT A PROXY

The Chair of the Meeting **OR**

 **PLEASE NOTE:** If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held at **15 McCabe Street, North Fremantle WA 6159 on 30 November 2020 at 3:00 pm AWST** and at any adjournment or postponement of that Meeting.

Chair's voting intentions in relation to undirected proxies: The Chair intends to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances, the Chair may change his/her voting intentions on any Resolution. In the event this occurs, an ASX announcement will be made immediately disclosing the reasons for the change.

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1, 5, 6 & 7 (except where I/we have indicated a different voting intention below) even though these resolutions are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair.

VOTING DIRECTIONS

Resolutions

	For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Mr Anthony Ho	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of Additional Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of the Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval to issue 1,000,000 Performance Rights to Executive Director – Mr Nicholas Zborowski	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval to issue 500,000 Performance Rights to Director – Mr Jack Spencer-Cotton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval to issue 500,000 Performance Rights to Director – Mr Anthony Ho	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

 * If you mark the Abstain box for a particular Resolution, 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.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual) Joint Shareholder 2 (Individual) Joint Shareholder 3 (Individual)
Sole Director and Sole Company Secretary Director/Company Secretary (Delete one) Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address

Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each Resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given Resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a Resolution, your vote on that Resolution will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolution 1, 5, 6 & 7, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolution 1, 5, 6 & 7.

PLEASE NOTE: If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on a Resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that Resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning **Advanced Share Registry Limited** or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the Company you are in compliance with Listing Rule 14.11.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the shareholder must sign.

Joint Holding:

Where the holding is in more than one name, all of the shareholders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry Limited, please attach the original or 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 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.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 3:00 pm AWST on 28 November 2020, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.

Due to the ongoing COVID-19 pandemic, the Company strongly encourages shareholders to either lodge a direct proxy form or vote online prior to the Meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 6370 4203



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033