

**MANHATTAN CORPORATION LIMITED**  
**ABN 61 123 156 089**

---

**NOTICE OF GENERAL MEETING**

**EXPLANATORY MEMORANDUM**

**AND**

**PROXY FORM**

---

**Date of Meeting**

Friday 12 March 2010

**Time of Meeting**

10.30 am

**Place of Meeting**

The Offices of Manhattan Corporation Limited  
Ground Floor, 15 Rheola Street  
West Perth 6005  
Western Australia

**MANHATTAN CORPORATION LIMITED**  
**ABN 61 123 156 089**

**NOTICE OF GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that a General Meeting of the shareholders of Manhattan Corporation Limited ("**Company**") will be held at The Offices of Manhattan Corporation Limited, Ground Floor, 15 Rheola Street, West Perth, Western Australia on Friday 12 March 2010 at 10.30am (Perth time) for the purpose of transacting the following business.

An Explanatory Memorandum containing information in relation to each of the following Resolutions accompanies this Notice of General Meeting.

Certain abbreviations and other defined terms are used throughout this Notice of General Meeting. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

**AGENDA**

**BUSINESS**

**Resolution 1 – Grant of Options to Mr Nicholas Eggers**

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

*"That pursuant to Listing Rule 10.11 of the ASX and Section 208 of the Corporations Act and for all other purposes, the Company approves and authorises the grant to Mr Nicholas Eggers, or his nominee(s), for no consideration:*

- (a) 100,000 Options with an exercise price of \$1.80 and an expiry date being 5 years after the date of grant; and*
- (b) 100,000 Options with an exercise price of \$2.20 and an expiry date being 5 years after the date of grant,*

*on the terms and conditions described in the Explanatory Memorandum that forms part of this Notice (including the Annexures attached to the Explanatory Memorandum accompanying this Notice of Meeting)."*

<p>The Company will disregard any votes cast on Resolution 1 by Mr Nicholas Eggers or any associate of Mr Eggers. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or the vote 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.</p>
--

## **Resolution 2 – Grant of Options to Employees and Consultants**

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

*"That pursuant to Listing Rule 7.1 and for all other purposes, the Company approves and authorises the grant to consultants nominated by the Company, for no consideration:*

- (a) 150,000 Options with an exercise price of \$1.80 and an expiry date being 5 years after the date of grant; and*
- (b) 150,000 Options with an exercise price of \$2.20 and an expiry date being 5 years after the date of grant,*

*on the terms and conditions described in the Explanatory Memorandum that forms part of this Notice (including the Annexures attached to the Explanatory Memorandum accompanying this Notice of Meeting)."*

The Company will disregard any votes cast on Resolution 2 by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 2 is passed, and any person associated with those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or 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.

By order of the Board

Mr Sam Middlemas  
Company Secretary  
Dated: 9 February 2010

## **PROXIES**

A shareholder entitled to attend and vote at the above Meeting may appoint not more than two proxies to attend and vote at this Meeting. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights.

A proxy may, but need not be, a shareholder of the Company.

Proxy forms must reach the Registered Office of the Company at least 48 hours prior to the Meeting. For the convenience of shareholders, a Proxy Form is enclosed.

**MANHATTAN CORPORATION LIMITED**  
**ABN 61 123 156 089**

**EXPLANATORY MEMORANDUM**

This Explanatory Memorandum is intended to provide shareholders with sufficient information to assess the merits of the resolutions contained in the accompanying Notice of General Meeting of Manhattan Corporation Limited ("**Manhattan**" or the "**Company**").

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

**RESOLUTION 1 – GRANT OF OPTIONS TO MR NICHOLAS EGGERS**

**Introduction**

It is proposed to grant Mr Nicholas Eggers 100,000 Tranche 1 and 100,000 Tranche 2 Options.

The tranche 1 Options are exercisable at \$1.80 each and have an expiry date of 5 years from the date of grant. The full terms of these Options are set out in Annexure A to this Explanatory Memorandum. These Options do not vest until 12 months after the date of grant.

The tranche 2 Options are exercisable at \$2.20 each and have an expiry date of 5 years from the date of grant. The full terms of these Options are set out in Annexure B to this Explanatory Memorandum. These Options do not vest until 24 months after the date of grant.

Manhattan has employed Mr Nicholas Eggers as a consultant to work for the Company on a full time basis as the Business Development Manager. Nicholas is the son of Mr Alan Eggers who is the Executive Chairman of the Company and a substantial shareholder of 31.2% of the Company. As a consequence Nicholas is deemed to be a "related party" to the Company under ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, and therefore any issues of employment related options to Nicholas require prior shareholder approval.

Nicolas has just completed 6 months of service, and it is the policy of the Company to award options to employees and consultants after this probationary period. The details of Nicholas's employment are that he consults full time for the Company and earns fees of \$46,750/annum. He has the relevant qualifications for the position, and is treated the same as all other employees in the Company.

The grant of the Options is designed to encourage the employees and consultants to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership.

Under the Company's current circumstances, the Directors consider that the incentive represented by the grant of the Options, is a cost effective and efficient reward and incentive for the Company to provide, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

The number of Options to be issued has been determined based on a number of factors including a review of the total remuneration and market standards. The Directors have reviewed a selection of comparable companies to determine market conditions generally and consider the proposed number of Options to be granted will ensure that the overall remuneration is in line with market standards. The exercise prices of the 2 tranches of options were set at \$1.80 cents and \$2.20, which was 20% and 70% in excess of the last traded price of Shares on 2 February 2010. It was considered this was a significant hurdle comparing well with other options issued by comparable companies.

### ***Related Party Transactions***

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- (b) shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E, Nicholas Eggers is considered to be a related party of the Company.

Resolution 1 provides for the grant of Options to a Related Party which is a financial benefit for the purposes of Chapter 2E of the Corporations Act.

In accordance with section 219 of the Corporations Act, the following information is provided to Shareholders:

- (a) The related party to whom the proposed Resolution would permit the financial benefit to be given is Mr Nicholas Eggers.
- (b) The nature of the financial benefit proposed to be given:

The nature of the financial benefit proposed to be given is the grant of the Options as noted above for no consideration on the terms and conditions set out in Resolution 1 and Annexures A and B to this Explanatory Memorandum.

- (c) Directors' recommendation:

All Directors were available to consider Resolution 1.

Messrs Robert Wrixon, Marcello Cardaci and John Seton (who do not have an interest in Resolution 1) recommend that the Shareholders approve the grant of Options under Resolution 1 to Mr Nicholas Eggers for the reasons outlined above. Mr Alan Eggers declined to make a recommendation to Shareholders in respect of Resolution 1 as he has a material personal interest in the outcome of the Resolution by virtue of the Related Party nature of the proposed grant of Options to Mr Nicholas Eggers.

(d) Other information that is reasonably required by Shareholders to make a decision whether it is in the best interests of the Company to pass Resolution 1 and that is known to the Company or any of its Directors:

(i) The proposed Resolution 1 would have the effect of giving power to the Directors to grant up to 200,000 Options on the terms and conditions as set out in Resolution 1 and Annexures A and B to this Explanatory Memorandum.

As at the date of this Notice of Meeting, Manhattan has 84,731,019 Shares on issue.

Manhattan also has the following unquoted options on issue:

Number of options	Exercise Price	Expiry Date
3,599,379	20 cents	21 January 2012
5,000,000	20 cents	30 June 2010
5,500,000	60 cents	21 July 2014 (vesting 21 July 2010)
5,500,000	\$1.00	21 July 2014 (vesting 21 July 2011)

The market price of the Shares during the term of the Options will normally determine whether or not the option holder exercises the Option. At the time any Options are exercised and Shares issued pursuant to the exercise of the Options, Shares may be trading on the ASX at a price which is higher than the exercise price of the Options.

(ii) The Company has engaged Stanton International Securities to value the Options using the Black-Scholes Option Pricing Model, which is acceptable for the purposes of a notice of meeting. This assessment of the value of the Options has been prepared based on the following assumptions:

- the Share price was \$1.48 at the close of business on 2 February 2010.
- the risk free rate of return is 5.50% (estimation based on the Reserve Bank 5 year Treasury bond indicator as at 2 February 2010);
- the volatility of the Share price has been set at 75% (it is quite common for junior exploration companies to have volatilities between 50% and 100% and some times volatilities outside that range). A mid point of 75% has been used as a fair estimate of volatility given the industry in which the Company operates, its financial position and the volatility of listed shares of other companies comparable to the Company;
- the exercise price of the Options is \$1.80 and \$2.20; and
- the Options will have an expiry date of 5 years from the date of grant.

Based on the above assumptions, the Black-Scholes Option Pricing Model attributes a theoretical value to each Option as follows:

- Options with an exercise price of \$1.80 each – 72.72 cents each
- Options with an exercise price of \$2.20 each – 67.94 cents each

Based on the above assumptions, the estimated value of the 200,000 Options to be granted to the Mr Nicholas Eggers, or his nominee(s) is a total of \$140,660.

- (iii) As at the date of this Notice, Mr Alan Eggers and his associates (Related Party to Mr Nicholas Eggers) have a relevant interest in 26,047,939 fully paid Ordinary shares and 2,849,379 unlisted options exercisable at 20 cents on or before 21 January 2012, 2,250,000 unlisted options exercisable at 60 cents on or before 21 July 2014 (vesting 21 July 2010) and 2,250,000 unlisted options exercisable at \$1.00 on or before 21 July 2014 (vesting 21 July 2011).
- (iv) Mr Nicholas Eggers will receive fees of \$46,750/annum for his services as Business Development Manager, and Mr Alan Eggers will receive fees of \$300,000/annum for his role as Executive Chairman. In both cases fees are payable to Wesmin Consulting Pty Ltd for the services.
- (v) The following table gives details of the highest, lowest and latest price of the Company's Shares trading on the ASX over the last 12 months:

<b>Security</b>	<b>Highest Price</b>	<b>Date of highest price</b>	<b>Lowest Price</b>	<b>Date of lowest price</b>	<b>Latest Price On 2/2/10</b>
Shares	\$1.82	05/11/09	3.8 cents	31/03/09	\$1.50

- (vi) Under the Australian Equivalent of IFRS, the Company is required to expense the value of the Options in its income statement over the vesting periods. Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Options pursuant to Resolution 1.
- (vi) Other than as set out elsewhere in this Explanatory Memorandum, neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by the proposed Resolutions.

### **Listing Rule 10.11**

Listing Rule 10.11 requires shareholder approval by ordinary resolution to any issue by a listed company of securities to a related party. Accordingly, Listing Rule 10.11 requires shareholders to approve the issue of Options to Mr Nicholas Eggers.

For the purposes of Listing Rule 10.13, the following information is provided to shareholders:

1. the Options will be granted to Mr Nicholas Eggers or his nominee(s) as noted above;
2. the maximum number of Options to be granted is 200,000;
3. the Options will be granted on a date which will be no later than 1 month after the date of this meeting or on such other date as approved by ASX;
4. the Options will be granted for no consideration;
5. no funds will be raised by the grant of the Options; and
6. the terms and conditions of the Options are set out in Annexures A and B to this Explanatory Statement.

If approval is given for the issue of the Options under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

### **RESOLUTION 2 – GRANT OF OPTIONS TO EMPLOYEES AND CONSULTANTS**

The Company proposes to grant a total of 150,000 Tranche 1 Options and 150,000 Tranche 2 Options to employees and consultants or their nominee(s), as follows.

<b>Name of Employee/Consultant</b>	<b>Tranche 1 Options</b>	<b>Tranche 2 Options</b>
Robert Sommerville	100,000	100,000
Paige Cabbage	50,000	50,000
<b>Total</b>	<b>150,000</b>	<b>150,000</b>

The tranche 1 Options are exercisable at \$1.80 each and have an expiry date of 5 years from the date of grant. The full terms of these Options are set out in Annexure A to this Explanatory Memorandum. These Options do not vest until 12 months after the date of grant.

The tranche 2 Options are exercisable at \$2.20 each and have an expiry date of 5 years from the date of grant. The full terms of these Options are set out in Annexure B to this Explanatory Memorandum. These Options do not vest until 24 months after the date of grant.

The grant of the Options is designed to encourage the employees and consultants to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership.

Under the Company's current circumstances, the Directors consider that the incentive represented by the grant of the Options, is a cost effective and efficient reward and incentive for the Company to provide, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

Further, the Company considers that it is in the interests of Shareholders to align the interest of the consultants and Shareholders by encouraging them, subject to appropriate conditions, to have equity holdings in the Company. However the Company considers that similar to other Shareholders, this interest should arise through direct investment by the consultants. In this regards, if all of the Options are exercised, the consultants will be investing a total of \$600,000 in the Company.

### **Listing Rule 7.1**

Listing Rule 7.1 broadly provides, subject to certain exceptions, that shareholder approval is required for any issue of securities where the securities proposed to be issued represent more than 15% of the Company's fully paid ordinary shares then on issue. Listing Rule 7.1 approval is being sought so that the 15% threshold is maintained and available for use by the Company in the future should the circumstances require it.

For the purposes of Listing Rules 7.3, the following information is provided to shareholders:

- (a) the allottees are the consultant as noted above, or his respective nominee(s), as detailed above;
- (b) the maximum number of Options to be granted pursuant to Resolution 2 is 300,000;
- (c) the Options will be allotted and granted on one date which will be no later than three months after the date of this meeting or such later date as approved by ASX;
- (d) the Options will be granted for no consideration;
- (e) no funds will be raised by the grant of the Options; and
- (f) the terms and conditions of the Options are set out in Annexures A and B to this Explanatory Memorandum.

### **GLOSSARY OF TERMS**

In this Explanatory Memorandum the following expressions have the following meanings:

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

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

**"Board"** means the board of Directors.

**"Company"** or **"Manhattan"** means Manhattan Corporation Limited ABN 61 123 156 089.

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

**"Directors"** means the directors of Manhattan from time to time.

**"Explanatory Memorandum"** means the information attached to the Notice of Meeting which provides information to shareholders about the resolutions contained in the Notice of Meeting;

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

**"Meeting"** means the general meeting of shareholders of Manhattan convened by this Notice.

**"Notice"** or **"Notice of Meeting"** means the notice of general meeting that accompanies this Explanatory Memorandum.

**"Option"** means an option to acquire a Share, the terms and conditions of which are set out in Annexures A and B to Explanatory Memorandum accompanying the Notice of Meeting.

**"Resolution"** means a resolution referred to in the Notice of Meeting.

**"Shareholder"** means a holder of Shares.

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

## ANNEXURE A

### TERMS OF OPTIONS

#### 1. GENERAL

- 1.1 No monies will be payable for the issue of the options.
- 1.2 A certificate will be issued for the options.
- 1.3 Each option shall carry the right to subscribe for one fully paid ordinary share in the Company ("**Share**") at an exercise price of \$1.80 ("**Exercise Price**").
- 1.4 The options shall expire at 5pm on the date that is 5 years after the date of grant of the options ("**Expiry Date**").
- 1.5 Subject to clause 3, the options may be exercised by the Optionholder at any time during the period that is between the date that is 12 months after the date of allotment of the options and the Expiry Date.
- 1.6 The Exercise Price of Shares shall be payable in full on exercise of these options.
- 1.7 Options may only be exercised by the delivery to the registered office of the Company of a notice in writing. The notice must specify the number of options being exercised and the exercise price for the option specified and must be accompanied by:
  - (a) the option certificate for those options, for cancellation by the Company; and
  - (b) a cheque payable to the Company (or such other form of payment acceptable to the Board) for the aggregate Exercise Price for each Share to be issued on exercise of the options specified in the notice.

The notice is only effective (and only becomes effective) when the Company has received value for the full amount of the Exercise Price (for example, if the Exercise Price is paid by cheque, by clearance of that cheque).

- 1.8 Subject to clause 4.1, within 10 Business Days after the notice referred to in clause 1.7 becomes effective, the Board must:
  - (a) allot and issue the number of Shares to be issued in respect of the options being exercised;
  - (b) cancel the option certificate for the options being exercised; and
  - (c) if applicable, issue a new option certificate for any remaining options covered by the certificate accompanying the notice.

- 1.9 The options are not transferable other than to:
- (a) a spouse of an Eligible Person;
  - (b) the trustee of a trust in which the Eligible Person is a beneficiary; or
  - (c) the trustee of a superannuation fund of which the Eligible Person is a shareholder.
- 1.10 Shares allotted pursuant to an exercise of options shall rank, from the date of allotment, equally with existing Shares of the Company in all respects.
- 1.11 The Company shall, in accordance with the Listing Rules, make application to have Shares allotted pursuant to an exercise of options listed for Official Quotation, if the Company is listed on the ASX at the time.

## 2. PARTICIPATION, BONUS ISSUES, REORGANISATION AND WINDING UP

- 2.1 The Optionholder is not entitled to participate in any new issue of securities to existing holders of Shares in the Company unless the Optionholder does so before the record date for the determination of entitlements to the new issue of securities and participate as a result of being holders of Shares.
- The Company must give the Optionholder, in accordance with the Listing Rules, notice of any new issue of securities before the record date for determining entitlements to the new issue.
- 2.2 If there is a bonus share issue ("**Bonus Issue**") to the holders of Shares, the number of Shares over which an option is exercisable will be increased by the number of Shares which the Optionholder would have received if the option had been exercised before the record date for the Bonus Issue ("**Bonus Shares**"). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank *pari passu* in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.
- 2.3 If there is a pro rata issue (other than a Bonus Issue) to the holders of Shares during the currency of, and prior to the exercise of any options, the Exercise Price of an option will be adjusted in accordance with the formula provided in the Listing Rules (whether or not the Company is listed on the ASX at the time).
- 2.4 If, prior to the expiry of any options, there is a reorganisation of the issued capital of the Company, then the rights of the Optionholder (including the number of options to which each Optionholder is entitled and the Exercise Price) is changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- 2.5 If, prior to the expiry of the options, a resolution for a shareholders' voluntary winding up of the Company is proposed (other than for the purpose of a reconstruction or amalgamation) the Board may, in its absolute discretion, give written notice to the Optionholder of the proposed resolution. The Optionholder may, during the period referred to in the notice, exercise the options.

- 2.6 For the purposes of this clause 2, if options are exercised simultaneously, then the Optionholder may aggregate the number of Shares or fractions of Shares for which the Optionholder is entitled to subscribe. Fractions in the aggregate number only will be disregarded in determining the total entitlement of the Optionholder.
- 2.7 Any calculations or adjustments which are required to be made under this clause 2 will be made by the Board and, in the absence of manifest error, are final and conclusive and binding on the Company and the Optionholder.
- 2.8 The Company must within a reasonable period give to each Optionholder notice of any change under clause 2 to the Exercise Price of any options held by the Optionholder or to the number of Shares which the Optionholder is entitled to subscribe for on exercise of an option.

### **3. TAKEOVER PROVISIONS**

- 3.1 Notwithstanding clause 1.5 all options may be exercised by the Optionholder:
- (a) in the event a takeover bid (as defined in the Corporations Act) to acquire any Shares becomes or is declared to be unconditional, irrespective of whether the takeover bid extends to Shares issued and allotted after the date of the takeover bid or not; or
  - (b) at any time after a Change of Control Event has occurred; or
  - (c) if a merger by way of scheme of arrangement under the Corporations Act has been approved by the Court under section 411(4)(b) of the Corporations Act 2001.

### **4. LAPSE OF OPTIONS**

- 4.1 Options not validly exercised on or before the Expiry Date will automatically lapse.
- 4.2 Subject to clause 1.5, unless otherwise determined by the Board, if the Eligible Person that is the Optionholder or that nominated the Optionholder as their nominee ceases to be an Eligible Person prior to the options being exercised then:
- (a) if the Eligible Person ceases to be an Eligible Person for a Termination Reason, any such options held by the Optionholder will automatically lapse;
  - (b) if the Eligible Person ceases to be an Eligible Person for a Specified Reason, the Optionholder, may exercise any such options held by him or her within:
    - (i) 60 days of the date (as the case may be) Retirement, Redundancy, death or Total and Permanent Disablement; or
    - (ii) such longer period as the Board determines,
  - (c) Options the subject of clause 4.2(b) not exercised within 60 days or the longer period determined by the Board, will automatically lapse; and

- (d) if the Eligible Person ceases to be an Eligible Person for:
  - (i) any reason other than a Specified Reason or a Termination Reason; or
  - (ii) a Change of Control Event,

then the options shall continue to be exercisable until the Expiry Date.

- 4.3 Subject to clause 4.2(b), if at any time prior to the Expiry Date of any options an Optionholder dies, the deceased Optionholder's Legal Personal Representative may:
- (a) elect to be registered as the new holder of the deceased Optionholder's options;
  - (b) whether or not he or she becomes so registered, exercise those options in accordance with and subject to these terms as if he were the Optionholder of them; and
  - (c) if the deceased Optionholder had already given the Company a notice of exercise of his or her options, pay the Exercise Price in respect of those options.

## 5. INTERPRETATION

- 5.1 In these Terms and Conditions:

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

**"Board"** means the Board of Directors of the Company as constituted from time to time;

**"Business Day"** means a day other than a Saturday or a Sunday on which banks are open for business in Perth, Western Australia;

**"Change of Control Event"** means a shareholder, or group of associated shareholders, being entitled to sufficient shares in the Company to give it or them the ability, and that ability is successfully exercised, in a general meeting, to replace all or a majority of the Board;

**"Company"** means Manhattan Corporation Limited ACN 123 156 089;

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

**"Director"** means a director of the Company from time to time;

**"Eligible Person"** means the person who, at the time of the grant of the options to them or their nominee, and at all other times, is a Director or an employee or consultant (whether full-time or part-time) of the Company or of an associated body corporate of the Company;

**"Legal Personal Representative"** means the executor of the will or an administrator of the estate of a deceased person, the trustee of the estate of a person under a legal disability or a person who holds an enduring power of attorney granted by another person;

**"Listing Rules"** means the official listing rules of ASX as amended, varied, modified or waived from time to time;

**"Official Quotation"** has the meaning ascribed to it in the Listing Rules;

**"Optionholder"** means the person holding these options, being the Eligible Person or their nominee;

**"Redundancy"** means, in relation to an Eligible Person, a determination by the Board that the Company's need to employ a person for the particular kind of work carried out by that Eligible Person has ceased (but, for the avoidance of any doubt, does not include the dismissal of an Eligible Person for personal or disciplinary reasons or where the Eligible Person leaves the employ of the Company of his or her own accord);

**"Retirement"** means, in relation to an Eligible Person, retirement by that Eligible Person from the Company at age 60 or over or such earlier age as considered appropriate by the Board;

**"Specified Reason"** means resignation, Retirement, Total and Permanent Disablement, Redundancy or death;

**"Termination Reason"** means in relation to an Eligible Person, dismissal by the Board of that Eligible Person for one of the following reasons:

- (a) where the Eligible Person has engaged in wilful misconduct, bringing the Company into disrepute;
- (b) repeated disobedience by the Eligible Person, after the Eligible Person has received prior written warning in relation to any disobedience on their part;
- (c) where the Eligible Person has engaged in fraud or dishonesty in respect of any the property or affairs of the Company; or
- (d) where the Eligible Person is:
  - (i) removed as a Director by a resolution of the shareholders of the Company; or
  - (ii) fails to be re-elected as a Director; and

**"Total and Permanent Disablement"** means, in relation to an Eligible Person, that the Eligible Person has, in the opinion of the Board and with effect on a date determined by the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Eligible Person unlikely ever to engage in any occupation for which he is reasonably qualified by education, training or experience.

## ANNEXURE B

### TERMS OF OPTIONS

#### 1. GENERAL

- 1.1 No monies will be payable for the issue of the options.
- 1.2 A certificate will be issued for the options.
- 1.3 Each option shall carry the right to subscribe for one fully paid ordinary share in the Company ("**Share**") at an exercise price of \$2.20 ("**Exercise Price**").
- 1.4 The options shall expire at 5pm on the date that is 5 years after the date of grant of the options ("**Expiry Date**").
- 1.5 Subject to clause 3, the options may be exercised by the Optionholder at any time during the period that is between the date that is 24 months after the date of allotment of the options and the Expiry Date.
- 1.6 The issue price of Shares the subject of these options shall be payable in full on exercise of these options.
- 1.7 Options may only be exercised by the delivery to the registered office of the Company of a notice in writing. The notice must specify the number of options being exercised and the exercise price for the option specified and must be accompanied by:
  - (a) the option certificate for those options, for cancellation by the Company; and
  - (b) a cheque payable to the Company (or such other form of payment acceptable to the Board) for the aggregate Exercise Price for each Share to be issued on exercise of the options specified in the notice.

The notice is only effective (and only becomes effective) when the Company has received value for the full amount of the Exercise Price (for example, if the Exercise Price is paid by cheque, by clearance of that cheque).
- 1.8 Subject to clause 4.1, within 10 Business Days after the notice referred to in clause 1.7 becomes effective, the Board must:
  - (a) allot and issue the number of Shares to be issued in respect of the options being exercised;
  - (b) cancel the option certificate for the options being exercised; and
  - (c) if applicable, issue a new option certificate for any remaining options covered by the certificate accompanying the notice.
- 1.9 The options are not transferable other than to:
  - (a) a spouse of an Eligible Person;
  - (b) the trustee of a trust in which the Eligible Person is a beneficiary; or
  - (c) the trustee of a superannuation fund of which the Eligible Person is a shareholder.

- 1.10 Shares allotted pursuant to an exercise of options shall rank, from the date of allotment, equally with existing Shares of the Company in all respects.
- 1.11 The Company shall, in accordance with the Listing Rules, make application to have Shares allotted pursuant to an exercise of options listed for Official Quotation, if the Company is listed on the ASX at the time.

## 2. PARTICIPATION, BONUS ISSUES, REORGANISATION AND WINDING UP

- 2.1 The Optionholder is not entitled to participate in any new issue of securities to existing holders of Shares in the Company unless the Optionholder does so before the record date for the determination of entitlements to the new issue of securities and participate as a result of being holders of Shares.

The Company must give the Optionholder, in accordance with the Listing Rules, notice of any new issue of securities before the record date for determining entitlements to the new issue.

- 2.2 If there is a bonus share issue ("**Bonus Issue**") to the holders of Shares, the number of Shares over which an option is exercisable will be increased by the number of Shares which the Optionholder would have received if the option had been exercised before the record date for the Bonus Issue ("**Bonus Shares**"). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank pari passu in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.
- 2.3 If there is a pro rata issue (other than a Bonus Issue) to the holders of Shares during the currency of, and prior to the exercise of any options, the Exercise Price of an option will be adjusted in accordance with the formula provided in the Listing Rules (whether or not the Company is listed on the ASX at the time).
- 2.4 If, prior to the expiry of any options, there is a reorganisation of the issued capital of the Company, then the rights of the Optionholder (including the number of options to which each Optionholder is entitled and the Exercise Price) is changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- 2.5 If, prior to the expiry of the options, a resolution for a shareholders' voluntary winding up of the Company is proposed (other than for the purpose of a reconstruction or amalgamation) the Board may, in its absolute discretion, give written notice to the Optionholder of the proposed resolution. The Optionholder may, during the period referred to in the notice, exercise the options.
- 2.6 For the purposes of this clause 2, if options are exercised simultaneously, then the Optionholder may aggregate the number of Shares or fractions of Shares for which the Optionholder is entitled to subscribe. Fractions in the aggregate number only will be disregarded in determining the total entitlement of the Optionholder.
- 2.7 Any calculations or adjustments which are required to be made under this clause 2 will be made by the Board and, in the absence of manifest error, are final and conclusive and binding on the Company and the Optionholder.

- 2.8 The Company must within a reasonable period give to each Optionholder notice of any change under clause 2 to the Exercise Price of any options held by the Optionholder or to the number of Shares which the Optionholder is entitled to subscribe for on exercise of an option.

### **3. TAKEOVER PROVISIONS**

- 3.1 Notwithstanding clause 1.5 all options may be exercised by the Optionholder:
- (a) in the event a takeover bid (as defined in the Corporations Act) to acquire any Shares becomes or is declared to be unconditional, irrespective of whether the takeover bid extends to Shares issued and allotted after the date of the takeover bid or not; or
  - (b) at any time after a Change of Control Event has occurred; or
  - (c) if a merger by way of scheme of arrangement under the Corporations Act has been approved by the Court under section 411(4)(b) of the Corporations Act 2001.

### **4. LAPSE OF OPTIONS**

- 4.1 Options not validly exercised on or before the Expiry Date will automatically lapse.
- 4.2 Subject to clause 1.5, unless otherwise determined by the Board, if the Eligible Person that is the Optionholder or that nominated the Optionholder as their nominee ceases to be an Eligible Person prior to the options being exercised then:
- (a) if the Eligible Person ceases to be an Eligible Person for a Termination Reason, any such options held by the Optionholder will automatically lapse;
  - (b) if the Eligible Person ceases to be an Eligible Person for a Specified Reason, the Optionholder, may exercise any such options held by him or her within:
    - (i) 60 days of the date (as the case may be) Retirement, Redundancy, death or Total and Permanent Disablement; or
    - (ii) such longer period as the Board determines,
  - (c) Options the subject of clause 4.2(b) not exercised within 60 days or the longer period determined by the Board, will automatically lapse; and
  - (d) if the Eligible Person ceases to be an Eligible Person for:
    - (i) any reason other than a Specified Reason or a Termination Reason; or
    - (ii) a Change of Control Event,
- then the options shall continue to be exercisable until the Expiry Date.

- 4.3 Subject to clause 4.2(b), if at any time prior to the Expiry Date of any options an Optionholder dies, the deceased Optionholder's Legal Personal Representative may:
- (a) elect to be registered as the new holder of the deceased Optionholder's options;
  - (b) whether or not he or she becomes so registered, exercise those options in accordance with and subject to these terms as if he were the Optionholder of them; and
  - (c) if the deceased Optionholder had already given the Company a notice of exercise of his or her options, pay the Exercise Price in respect of those options.

## 5. INTERPRETATION

- 5.1 In these Terms and Conditions:

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

**"Board"** means the Board of Directors of the Company as constituted from time to time;

**"Business Day"** means a day other than a Saturday or a Sunday on which banks are open for business in Perth, Western Australia;

**"Change of Control Event"** means a shareholder, or group of associated shareholders, being entitled to sufficient shares in the Company to give it or them the ability, and that ability is successfully exercised, in a general meeting, to replace all or a majority of the Board;

**"Company"** means Manhattan Corporation Limited ACN 123 156 089;

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

**"Director"** means a director of the Company from time to time;

**"Eligible Person"** means the person who, at the time of the grant of the options to them or their nominee, and at all other times, is a Director or an employee or consultant (whether full-time or part-time) of the Company or of an associated body corporate of the Company;

**"Legal Personal Representative"** means the executor of the will or an administrator of the estate of a deceased person, the trustee of the estate of a person under a legal disability or a person who holds an enduring power of attorney granted by another person;

**"Listing Rules"** means the official listing rules of ASX as amended, varied, modified or waived from time to time;

**"Official Quotation"** has the meaning ascribed to it in the Listing Rules;

**"Optionholder"** means the person holding these options, being the Eligible Person or their nominee;

**"Redundancy"** means, in relation to an Eligible Person, a determination by the Board that the Company's need to employ a person for the particular kind of work carried out by that Eligible Person has ceased (but, for the avoidance of any doubt, does not include the dismissal of an Eligible Person for personal or disciplinary reasons or where the Eligible Person leaves the employ of the Company of his or her own accord);

**"Retirement"** means, in relation to an Eligible Person, retirement by that Eligible Person from the Company at age 60 or over or such earlier age as considered appropriate by the Board;

**"Specified Reason"** means resignation, Retirement, Total and Permanent Disablement, Redundancy or death;

**"Termination Reason"** means in relation to an Eligible Person, dismissal by the Board of that Eligible Person for one of the following reasons:

- (a) where the Eligible Person has engaged in wilful misconduct, bringing the Company into disrepute;
- (b) repeated disobedience by the Eligible Person, after the Eligible Person has received prior written warning in relation to any disobedience on their part;
- (c) where the Eligible Person has engaged in fraud or dishonesty in respect of any the property or affairs of the Company; or
- (d) where the Eligible Person is:
  - (i) removed as a Director by a resolution of the shareholders of the Company; or
  - (ii) fails to be re-elected as a Director; and

**"Total and Permanent Disablement"** means, in relation to an Eligible Person, that the Eligible Person has, in the opinion of the Board and with effect on a date determined by the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Eligible Person unlikely ever to engage in any occupation for which he is reasonably qualified by education, training or experience.



# MANHATTAN

MANHATTAN CORPORATION LIMITED  
ABN 61 123 156 089

000001 000 MHC  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Lodge your vote:



### By Mail:

Manhattan Corporation Limited  
PO Box 1038 West Perth  
Western Australia 6872 Australia

Alternatively you can fax your form to  
(within Australia) (08) 9322 1961  
(outside Australia) +61 8 9322 1961

### For all enquiries call:

(within Australia) (08) 9322 6677  
(outside Australia) +61 8 9322 6677

## Proxy Form

For your vote to be effective it must be received by 10:30am (WST) Wednesday 10 March 2010

### How to Vote on Items of Business

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

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote 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 in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

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

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

### Attending the Meeting

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

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

**Turn over to complete the form** ➔



View your securityholder information, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**

- Review your securityholding
- Update your securityholding

#### Your secure access information is:

SRN/HIN: I999999999



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

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

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



I 9999999999

I ND

## Proxy Form

Please mark  to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Manhattan Corporation Limited hereby appoint

the Chairman of the Meeting **OR**



**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Manhattan Corporation Limited to be held at the Offices of Manhattan Corporation Limited, Ground Floor, 15 Rheola Street, West Perth, Western Australia on Friday, 12 March 2010 at 10:30am (WST) and at any adjournment of that meeting.

**Important for Item 1:** If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Item 1 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Item 1 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of Item 1 of business.

I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

### STEP 2 Items of Business



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

		For	Against	Abstain
Item 1	Grant of Options to Mr Nicholas Eggers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2	Grant of Options to Employees and Consultants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

### SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/\_\_\_\_

MHC

999999A

Computershare +