
ALEXIUM INTERNATIONAL GROUP LIMITED
ACN 064 820 408
NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10:00am (AEDT)

DATE: Wednesday, 20 November 2024

VENUE: PwC, Level 17, One International Towers, Barangaroo NSW 2000

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm (AEDT) on Monday, 18 November 2024.

LETTER TO SHAREHOLDERS

Dear Shareholders,

I am pleased to invite you to the 2024 Annual General Meeting (**AGM**) of Alexium International Group Limited to be held at **PwC, Level 17, One International Towers, Barangaroo NSW 2000** on **Wednesday, 20 November 2024** at **10:00am (AEDT)**.

If you are not able to attend the meeting, you are encouraged to vote by:

- Completing and lodging the enclosed proxy form by 10:00am (AEDT) on Monday, 18 November 2024; or
- Registering your proxy electronically by visiting the following website <https://investor.automic.com.au/#/loginsah>
- A detailed summary of the activities of the Company over the last 12 months is contained in the Annual Report which will be mailed to those shareholders who have elected to receive a printed copy of this document.

A copy of this document has been lodged with the ASX and is available on the Company's website at: <http://alexiuminternational.com/invest-in-alexium>.

The Board and Alexium team thank you for your support and look forward to welcoming you to the 2024 AGM.

Yours sincerely

Simon Moore
Non-Executive Interim Chair

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2024 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

Note: This item of business is for discussion only and is not a resolution.

2. 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 resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's Annual Report for the financial year ended 30 June 2024.”

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

Voting Prohibition Statement

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

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

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – CARL DENNIS

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

“That, for the purposes of Listing Rule 14.4, and for all other purposes, Carl Dennis, a director lastly elected on 17 November 2021, retires, and being eligible, is re-elected as a director.”

4. RESOLUTION 3 – ELECTION OF DIRECTOR – MARTYN STRICKLAND

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

“That, for the purposes of clause 15.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Martyn Strickland, a director, who was appointed as a director on 1 July 2024, retires, and being eligible, is elected as a director.”

5. RESOLUTION 4 - ELECTION OF DIRECTOR – RANDALL LANE

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

“That, for the purposes of clause 15.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Randall Lane, a director, who was appointed as a director on 1 July 2024, retires, and being eligible, is elected as a director.”

6. RESOLUTION 5 – APPROVAL OF THE SHARE APPRECIATION RIGHTS PLAN (SAR PLAN)

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

“That, for the purposes of ASX Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to approve and adopt, an employee incentive scheme titled ‘Alexium Share Appreciation Rights Plan’ (SAR Plan) and for the issue of shares under that SAR Plan, on the terms and conditions as set out in the Explanatory Memorandum.”

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 5 by on or behalf of the following persons:

- (a) by any person who is eligible to participate in the ‘Alexium Share Appreciation Rights Plan’; or
- (b) an associate of that person or those persons.

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

- (a) a person as a proxy for a person or attorney for a person who is entitled to vote on Resolution 5 in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the person chairing the Meeting, as proxy or attorney for a person who is entitled to vote on Resolution 5, in accordance with an express authorisation to exercise the proxy; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) 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 Resolution 5; and
 - (ii) the holder votes on Resolution 5 in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement

A person appointed as proxy must not vote, on the basis of that appointment on Resolution 5, if:

- (a) the proxy is either:
 - (i) a member of a KMP; or
 - (ii) a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 5.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though Resolution 5 is connected directly or indirectly with the remuneration of a member of the KMP.

7. RESOLUTION 6 – GRANT OF FINANCIAL YEAR ENDING 30 JUNE 2025 SHARE APPRECIATION RIGHTS TO RELATED PARTY – WILLIAM (BILLY) BLACKBURN

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 25,862,916 Share Appreciation Rights to William Blackburn (or his nominee) for the 12-month period from 1 July 2024 to 30 June 2025 under the SAR Plan on the terms and conditions as set out in the Explanatory Memorandum.”

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 6 by or behalf of William Blackburn (or his nominee(s)) and any other person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question or an associate of that person or those persons.

However, votes will not be disregarded in favour of the Resolution 6, cast by:

- (a) a person as a proxy for a person or attorney for a person who is entitled to vote on Resolution 6 in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the person chairing the Meeting, as proxy or attorney for a person who is entitled to vote on Resolution 6, in accordance with an express authorisation to exercise the proxy; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) 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
 - (ii) 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

A person appointed as proxy must not vote, on the basis of that appointment on Resolution 6, if:

- (a) the proxy is either:
 - (i) a member of a KMP; or
 - (ii) a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though Resolution 6 is connected directly or indirectly with the remuneration of a member of the KMP.

8. RESOLUTION 7 – GRANT OF FINANCIAL YEAR ENDING 30 JUNE 2025 SHARE APPRECIATION RIGHTS TO RELATED PARTY – ROBERT BROOKINS

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 25,067,138 Share Appreciation Rights to Robert Brookins (or his nominee) for the 12-month period from 1 July 2024 to 30 June 2025 under the SAR Plan on the terms and conditions as set out in the Explanatory Memorandum.”

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 7 by or behalf of Robert Brookins (or his nominee(s)) and any other person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question or an associate of that person or those persons.

However, votes will not be disregarded in favour of the Resolution 7, cast by:

- (a) a person as a proxy for a person or attorney for a person who is entitled to vote on Resolution 7 in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the person chairing the Meeting, as proxy or attorney for a person who is entitled to vote on Resolution 7, in accordance with an express authorisation to exercise the proxy; 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:
 - (i) 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
 - (ii) 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

A person appointed as proxy must not vote, on the basis of that appointment on Resolution 7, if:

- (a) the proxy is either:
 - (i) a member of a KMP; or
 - (ii) a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and

- (b) the appointment expressly authorises the Chair to exercise the proxy even though Resolution 7 is connected directly or indirectly with the remuneration of a member of the KMP.

9. RESOLUTION 8 - ISSUE OF SHARES IN LIEU OF 2023/24 INTERIM CHAIR FEES – SIMON MOORE

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the Shareholders approve the issue of fully paid ordinary shares in lieu of additional Directors' fees of up to US\$19,833 to Simon Moore or his nominee, for the 12-month period from 1 July 2023 to 30 June 2024 a Director of the Company, under the Employee Incentive Plan on the terms and conditions as set out in the Explanatory Memorandum.”

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 9 by or behalf of Simon Moore (or his nominee(s)) and any other person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question or an associate of that person or those persons.

However, votes will not be disregarded in favour of the Resolution 9, cast by:

- (a) a person as a proxy for a person or attorney for a person who is entitled to vote on Resolution 9 in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the person chairing the Meeting, as proxy or attorney for a person who is entitled to vote on Resolution 9, in accordance with an express authorisation to exercise the proxy; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) 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
 - (ii) 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

A person appointed as proxy must not vote, on the basis of that appointment on Resolution 9, if:

- (a) the proxy is either:
 - (i) a member of a KMP; or
 - (ii) a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though Resolution 9 is connected directly or indirectly with the remuneration of a member of the KMP.

10. RESOLUTION 9 – ISSUE OF SHARES IN LIEU OF 2024/25 DIRECTOR FEES – SIMON MOORE

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the Shareholders approve the issue of fully paid ordinary shares in lieu of Directors' fees of up to US\$100,000.00 to Simon Moore (or his nominee), a Director of the Company, for the remuneration period 1 July 2024 to 30 June 2025, under the Employee Incentive Plan on the terms and conditions as set out in the Explanatory Memorandum.”

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 9 by or behalf of Simon Moore (or his nominee(s)) and any other person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question or an associate of that person or those persons.

- However, votes will not be disregarded in favour of the Resolution 9, cast by:
- (d) a person as a proxy for a person or attorney for a person who is entitled to vote on Resolution 9 in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
 - (e) the person chairing the Meeting, as proxy or attorney for a person who is entitled to vote on Resolution 9, in accordance with an express authorisation to exercise the proxy; or
 - (f) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (iii) 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
 - (iv) 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

A person appointed as proxy must not vote, on the basis of that appointment on Resolution 9, if:

- (c) the proxy is either:
 - (iii) a member of a KMP; or
 - (iv) a Closely Related Party of such member; and
- (d) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though Resolution 9 is connected directly or indirectly with the remuneration of a member of the KMP.

11. RESOLUTION 10 – ISSUE OF SHARES IN LIEU OF 2024/25 DIRECTOR FEES – PAUL STENSON

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the Shareholders approve the issue of fully paid ordinary shares in lieu of Directors’ fees of up to US\$65,000.00 to Paul Stenson (or his nominee), a Director of the Company, for the remuneration period 1 July 2024 to 30 June 2025, under the Employee Incentive Plan on the terms and conditions as set out in the Explanatory Memorandum.”

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 10 by or behalf of Paul Stenson (or his nominee(s)) and any other person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question or an associate of that person or those persons.

However, votes will not be disregarded in favour of the Resolution 10, cast by:

- (a) a person as a proxy for a person or attorney for a person who is entitled to vote on Resolution 10 in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the person chairing the Meeting, as proxy or attorney for a person who is entitled to vote on Resolution 10, in accordance with an express authorisation to exercise the proxy; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) 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
 - (ii) 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

A person appointed as proxy must not vote, on the basis of that appointment on Resolution 10, if:

- (a) the proxy is either:
 - (i) a member of a KMP; or
 - (ii) a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though Resolution 10 is connected directly or indirectly with the remuneration of a member of the KMP.

12. RESOLUTION 11 – ISSUE OF SHARES IN LIEU OF 2024/25 DIRECTOR FEES – CARL DENNIS

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the Shareholders approve the issue of fully paid ordinary shares in lieu of Directors’ fees of up to US\$65,000.00 to Carl Dennis (or his nominee), a Director of the Company, for the remuneration period 1 July 2024 to 30 June 2025, under the Employee Incentive Plan on the terms and conditions as set out in the Explanatory Memorandum.”

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 11 by or behalf of Carl Dennis (or his nominee(s)) and any other person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question or an associate of that person or those persons.

However, votes will not be disregarded in favour of the Resolution 11, cast by:

- (a) a person as a proxy for a person or attorney for a person who is entitled to vote on Resolution 10 in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the person chairing the Meeting, as proxy or attorney for a person who is entitled to vote on Resolution 11, in accordance with an express authorisation to exercise the proxy; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) 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
 - (ii) 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

A person appointed as proxy must not vote, on the basis of that appointment on Resolution 11, if:

- (a) the proxy is either:
 - (i) a member of a KMP; or
 - (ii) a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though Resolution 11 is connected directly or indirectly with the remuneration of a member of the KMP.

13. RESOLUTION 12 – ISSUE OF SHARES IN LIEU OF 2024/25 DIRECTOR FEES – MARTYN STRICKLAND

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the Shareholders approve the issue of fully paid ordinary shares in lieu of Directors’ fees of up to US\$50,000.00 to Martyn Strickland or his nominee, a Director of the Company, for the remuneration period 1 July 2024 to 30 June 2025, under the Employee Incentive Plan on the terms and conditions as set out in the Explanatory Memorandum.”

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 12 by or behalf of Martyn Strickland (or his nominee(s)) and any other person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question or an associate of that person or those persons.

However, votes will not be disregarded in favour of the Resolution 12, cast by:

- (a) a person as a proxy for a person or attorney for a person who is entitled to vote on Resolution 12 in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or

- (b) the person chairing the Meeting, as proxy or attorney for a person who is entitled to vote on Resolution 12, in accordance with an express authorisation to exercise the proxy; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) 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
 - (ii) 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

A person appointed as proxy must not vote, on the basis of that appointment on Resolution 12, if:

- (a) the proxy is either:
 - (i) a member of a KMP; or
 - (ii) a Closely Related Party of such member; and
 - (b) the appointment does not specify the way the proxy is to vote on the Resolution.
- However, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though Resolution 12 is connected directly or indirectly with the remuneration of a member of the KMP.

14. RESOLUTION 13 – ISSUE OF SHARES IN LIEU OF 2024/25 DIRECTOR FEES – RANDALL LANE

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the Shareholders approve the issue of fully paid ordinary shares in lieu of Directors’ fees of up to US\$50,000.00 to Randall Lane (or his nominee), a Director of the Company, for the remuneration period 1 July 2024 to 30 June 2025, under the Employee Incentive Plan on the terms and conditions as set out in the Explanatory Memorandum.”

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 12 by or behalf of Randall Lane (or his nominee(s)) and any other person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question or an associate of that person or those persons.

However, votes will not be disregarded in favour of the Resolution 13, cast by:

- (a) a person as a proxy for a person or attorney for a person who is entitled to vote on Resolution 13 in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the person chairing the Meeting, as proxy or attorney for a person who is entitled to vote on Resolution 13, in accordance with an express authorisation to exercise the proxy; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) 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
 - (ii) 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

A person appointed as proxy must not vote, on the basis of that appointment on Resolution 13, if:

- (a) the proxy is either:
 - (i) a member of a KMP; or
 - (ii) a Closely Related Party of such member; and
 - (b) the appointment does not specify the way the proxy is to vote on the Resolution.
- However, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though Resolution 13 is connected directly or indirectly with the remuneration of a member of the KMP.

15. RESOLUTION 14 – APPROVAL OF 10% PLACEMENT FACILITY

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

"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Memorandum."

16. RESOLUTION 15 – RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS

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

"That, for the purposes of section 136(2) and section 648G of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the Company to modify its existing Constitution by renewing the provisions in clause 37 of the Constitution for a period of three years from the date of approval of this Resolution."

Dated: 18 October 2024

By order of the Board

**Mark Licciardo
Company Secretary**

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 3 8689 9997.

EXPLANATORY MEMORANDUM

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

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2024 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so.

The Company's annual financial report is available on its website at <http://alexiuminternational.com/invest-in-alexium>.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's Annual General Meeting, a resolution that the Remuneration Report be adopted must be put to the Shareholders. However, such a resolution is advisory only and does not bind the Company or the Directors of the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the directors and senior management of the Company. The Remuneration Report is part of the directors' report contained in the Annual Report of the Company for a financial year.

The Company's 2024 Remuneration Report can be found at pages 10 to 15 of the Company's 2024 Annual Report.

The Chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the Remuneration Report at the Annual General Meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the Company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the Remuneration Report and at the first of those Annual General Meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those Annual General Meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the Company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second Annual General Meeting.

All of the directors of the company who were in office when the directors' report (as included in the Company's Annual Report for the most recent financial year) was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the Company.

2.3 Previous voting results

At the Company's previous annual general meeting, the votes cast against the remuneration report were less than 25%. Accordingly, the Spill Resolution is not relevant for this Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR - CARL DENNIS

3.1 General

The Listing Rules provide that a director may not hold office past the third annual general meeting following the director's appointment or 3 years, whichever is longer, without being re-elected. Mr Dennis, who has served as a Director since September 2021 and was last re-elected on 17 November 2021, retires and seeks re-election.

3.2 Profile

Mr Dennis is an operational management professional with over 25 years' experience with expertise in Consumer and Pharmaceutical Goods. As a former CEO and commercial director, Mr Dennis has deep skills in new product development, sales and marketing, international brand management and operational execution. Mr Dennis was the CEO and co-owner of Vital Merchandising Services for 11 years which was acquired by Imperial Logistics Limited in 2007, and he went on to hold both operational and business development roles with Imperial Logistics.

Throughout his career, his clients have included Blue Chip FMCG organisations with globally recognised brands. Over the past five years Mr Dennis has focused on creating new markets for international Australian consumer brands across Asia, the Middle East and Africa.

Mr Dennis has a Bachelor of Commerce with a major in Business Economics from University of the Witwatersrand in Johannesburg.

3.3 Independence

If re-elected, the Board considers that Mr Dennis will not be an independent Director given his role representing Wentworth Williamson, a significant Shareholder in the Company.

3.4 Technical information required by Listing Rule 14.1A

If this Resolution is passed, Mr Dennis will be re-elected to the Board as a non-independent Director.

If this Resolution is not passed, Mr Dennis will not continue in their role as a Director. The Company may seek nominations or otherwise identify suitably qualified

candidates to join the Company. As an additional consequence, this may detract from the Board and Company's ability to execute on its strategic vision.

3.5 Board recommendation

The Board (with Mr Dennis abstaining) supports the election of Carl Dennis and recommends that Shareholders vote **in favour** of Resolution 2.

4. RESOLUTIONS 3 AND 4 – ELECTION OF DIRECTORS - MARTYN STRICKLAND AND RANDALL LANE

4.1 General

The Constitution allows the directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any director so appointed holds office only until the next following Annual General Meeting and is then eligible for election by shareholders but shall not be taken into account in determining the director who are to retire by rotation (if any) at that meeting.

Mr Strickland and Mr Lane, having been appointed by other Directors on 1 July 2024, in accordance with the Constitution, will retire in accordance with the Constitution, and ASX Listing Rule 14.4 and being eligible, seek election.

4.2 Profiles

Martyn Strickland

Mr Martyn Strickland is an Operating Partner with Colinton Capital Partners. Martyn joined the firm in June 2017 and represents Colinton Capital Partners on AMSG, Dimeo, Alexium and Clear Dynamics investments.

Prior to joining Colinton Capital Partners, Martyn was a Senior Partner at Deloitte, where he led their middle-market strategy and the Operational Restructuring and CRO services divisions within the Firm's Financial Advisory business. Earlier in his career, he served as Managing Director with 333 Consulting and provided strategic direction as Principal with A.T. Kearney and as Operating Executive with Cadbury Schweppes.

Martyn has an MBA from the Melbourne Business School and a degree in Mechanical Engineering from the University of Melbourne.

Randall Lane

Mr Randall Lane has had an exceptional career in research, manufacturing, start-ups and product commercialization including 25 years of senior management positions in the chemical and medical device industries.

Specifically, he has served as CEO/CSO at CAVU group, comprised of Microtek, American Thermal Instruments and Latent Heat Solutions. Mr Lane has also served on several Boards in the private sector.

4.3 Independence

Martyn Strickland

If elected, the Board considers that Mr Strickland will not be an independent Director.

Randall Lane

If elected, the Board considers that Mr Lane will be an independent Director.

4.4 Technical information required by Listing Rule 14.1A

Martyn Strickland

If this Resolution is passed, Mr Strickland will be elected to the Board as a non-independent Director.

If this Resolution is not passed, Mr Strickland will not continue in their role as a non-independent Director. The Company may seek nominations or otherwise identify suitably qualified candidates to join the Company. As an additional consequence, this may detract from the Board and Company's ability to execute on its strategic vision.

Randall Lane

If this Resolution is passed, Mr Lane will be elected to the Board as an independent Director.

If this Resolution is not passed, Mr Lane will not continue in their role as an independent Director. The Company may seek nominations or otherwise identify suitably qualified candidates to join the Company. As an additional consequence, this may detract from the Board and Company's ability to execute on its strategic vision.

4.3 Board recommendation

The Board (with Mr Strickland and Mr Lane abstaining) supports the election of Martyn Strickland and Randall Lane and recommends that Shareholders vote **in favour** of Resolutions 3 and 4.

5. RESOLUTION 5 - APPROVAL OF THE SHARE APPRECIATION RIGHTS (SAR) PLAN

5.1 Background

Resolution 5 seeks Shareholder approval for the SAR Plan and for the issue of Securities under the Plan in accordance with ASX Listing Rule 7.2 (Exception 13(b)).

The Company's Share Appreciation Rights Plan was last approved by shareholders at the Annual General Meeting held on 17 November 2021.

The SAR Plan also requires to be updated to reflect the replacement of ASIC Class Order [CO 14/1000] (Class Order) and ASIC Class Order [CO 14/1001] with a new Division 1A in Part 7.12 of the Corporations Act in relation to employee share schemes, as amended by the ASIC Corporations (Employee Share Schemes) Instrument 2022/1021 (**New Rules**).

5.2 Summary of the New Rules

The Treasury Laws Amendment (Cost of Living Support and Other Measures) Act 2022 (Cth) introduced the New Rules.

The legislation came into effect on 19 December 2022.

A summary of the key changes applicable to the Company under the New Rules are set out below.

✓ Who can participate?

Class Order relief is only available for issues to directors, full time and part time employees and casual employees or contractors that are 40% or more full time equivalent.

Under the New Rules, an offer may only be made to specified "primary participants" (being directors, employees and service providers, with no minimum requirements of hours of service provided) or certain related persons of a primary participant (including a spouse, parent, child or sibling of the primary participant; controlled bodies corporate of the primary participant or bodies corporate that are trustees of the primary participant's self-managed superannuation fund).

✓ Issue Cap

The Class Order provides for an issue cap of 5% of a listed entity's fully paid shares over a rolling period of 3 years (irrespective of whether monetary consideration is required).

Under the New Rules, there is no cap on issues made for no monetary consideration and issues received by participants outside of Australia. Caps only apply to issues made for monetary consideration (being the cap set out in the Company's Constitution or if there is no such cap in the Constitution, then 5% for listed entities unless a higher cap is specified in the relevant regulations (if any)) and issues received by participants in Australia. Further, offers of eligible interests to participants under an employee securities incentive plan which would not ordinarily require disclosure, such as offers to senior managers or small-scale offerings are not required to comply with the issue cap.

✓ Disclosure Requirements

The Class Order does not distinguish between offers for monetary consideration and those without, with the same disclosure requirements for both offers. Under the New Rules, offers made for no monetary consideration do not have any specific disclosure requirements. In the case of offers made for monetary consideration, an offer document is required (with specific disclosure requirements) and participants cannot acquire their interests until 14 days after receiving the necessary offer disclosure from the entity.

✓ Quotation and suspension requirements

Class Order relief is only available where an entity meets the minimum quotation period of 3 months prior to making an offer of eligible interests. In addition, relief is prohibited if an entity is suspended from quotation for over 5 days in the preceding 12-month period. Under the New Rules, listed entities can offer eligible interests without first meeting any minimum quotation period, and regardless of any suspensions to the trading of securities.

✓ On-sale relief

Similar to the effect of the Class Order, the New Rules provide an exemption for secondary sales of interests that are issued in connection with an employee incentive plan and are quoted on an approved financial market, provided that the body corporate that issued the interest did not do so with the purpose of the person to whom the interest was issued:

- selling or trading the interest; or
- granting, issuing or transferring interests in, or options or warrants over, the interest.

✓ Criminal offences

A number of new offences created under the New Rules, including misleading and deceptive statement offences and offences relating to holding participants' money. In addition, regulatory relief can be revoked if any of the below are breached:

- compliance with the monetary cap;
- compliance with the issue cap; and
- providing disclosure documents at the required time.

5.3 ASX Listing Rule 7.1 and 7.2 (Exception 13(b))

Broadly speaking, and subject to a number of exceptions set out in ASX Listing Rule 7.2, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over a 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

ASX Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to issue of securities under an employee incentive scheme, if, within three years before the date of issue of the securities, the shareholders of the entity's ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

5.4 Technical Information required by Listing Rule 14.1A

If Resolution 5 is passed, the Company will be able to issue securities under the SAR Plan to eligible participants over a period of three years from the date of the Meeting. The issue of any securities to eligible participants under the SAR Plan (up to the maximum number of securities) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For avoidance of doubt, the Company must seek Shareholder approval under ASX Listing Rule 10.14 in respect of any future issues of securities under the Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained.

If Resolution 5 is not passed, the Company will be able to proceed with the issue of securities under the SAR Plan to eligible participants, but any issues of securities will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under ASX Listing Rule 7.1 for the 12-month period following the issue of those securities.

5.5 Technical information required by ASX Listing Rule 7.2 (Exception 13)

Pursuant to and in accordance with ASX Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 5.

- (a) A full copy of the Share Appreciation Rights Plan Rules is set out in Schedule 1.

A full copy of the SAR Plan is available at the Company's Registered Office during normal business hours.

- (b) As at the date of this Notice, the Company has issued the following Securities under the SAR Plan which was adopted by Shareholders at the Annual General Meeting held in 2021:

- (i) FY22 Plan – 15,312,486 Share Appreciation Rights issued on 31 March 2023;
- (ii) FY23 Plan – 23,040,030 Share Appreciation Rights issued on 31 March 2023;
- (iii) CEO joining award – 16,131,415 Share Appreciation Rights issued on 31 March 2023;
- (iv) FY24 Plan – 13,217,936 Share Appreciation Rights to Dr Brookins and Mr Blackburn issued on 12 January 2024 (as approved by the Shareholders at the 2023 AGM);
- (v) 6,090,559 Share Appreciation Rights to eligible employees issued on 12 January 2024 under the SAR Plan; and
- (vi) 237,691 Share Appreciation Rights to an eligible employee issued on 20 March 2024 under the SAR Plan.

- (c) The Company is seeking Shareholder approval to approve the SAR Plan to:

- (i) allow the Company to issue Securities to eligible participants; and
 - (ii) include the new terms and conditions required by Division 1A of the Part 7.12 of the Corporations Act, which replaced the previous relief provided by ASIC Class Orders 14/1001 and 14/1001.
-

- (d) The maximum number of securities proposed to be issued under the SAR Plan in reliance on ASX Listing Rule 7.2 (Exception 13(b)) is 78,693,936 Securities.

It is not envisaged that the maximum number of securities for which approval is sought will be issued immediately.

- (e) A voting exclusion statement and a voting prohibition statement applies to this Resolution 5.

5.6 Board recommendation

The Board recommends that Shareholders vote **in favour** of Resolution 5.

6. RESOLUTIONS 6 AND 7 - GRANT OF FINANCIAL YEAR ENDING 30 JUNE 2025 SHARE APPRECIATION RIGHTS TO RELATED PARTIES – WILLIAM BLACKBURN AND ROBERT BROOKINS

6.1 Introduction

Resolutions 6 and 7 seek Shareholder approval for the purposes of Listing Rule 10.14 to issue and allot a maximum of 50,930,054 Share Appreciation Rights pursuant to the Company's SAR Plan to Mr William Blackburn and Dr Robert Brookins on the terms and conditions set out below.

A copy of the SAR Plan is set out in Schedule 1.

Share Appreciation Rights:

- (a) Vest to the holders based on the achievement of milestones (described in Schedule 1); and
- (b) Convert into Shares based on a formula that takes into account the appreciation of the price of the Company's Shares from the grant date to the Closing Date (described in Schedule 1).

6.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for 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:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) 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 issue of the Share Appreciation Rights to Mr Blackburn and Dr Brookins (or their nominees) constitutes giving a financial benefit and are related parties of the Company by virtue of being directors.

The Directors (other than Mr Blackburn and Dr Brookins) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Share Appreciation Rights, because the agreement to issue the Share Appreciation Rights, agreed as a means of a cashless incentive to Mr

Blackburn and Dr Brookins in their ongoing roles with the Company, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

6.3 Listing Rule 10.14

While the Board can make offers to issue the Share Appreciation Rights under the SAR Plan, a grant of such Share Appreciation Rights is not able to proceed to a related party until after Shareholder approval is obtained under ASX Listing Rule 10.14.

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- 10.14.1 a director of the entity;
- 10.14.2 an associate of a director of the entity; or
- 10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue falls within Listing Rule 10.14.1 and as such Resolutions 6 and 7 seek Shareholder approval under ASX Listing Rule 10.14 to grant the applicable Share Appreciation Rights.

6.4 Technical information required by Listing Rule 14.1A

If Resolutions 6 and 7 are passed, the Company will be able to proceed with the issues within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issues (because approval is being obtained under Listing Rule 10.14), the issues will not use up any of the Company's 15% annual placement capacity.

If Resolutions 6 and 7 are not passed, the Company will not be able to proceed with the grant of those Share Appreciation Rights to Mr Blackburn and Dr Brookins who will continue to be paid in cash bonus services.

6.5 Technical information required by ASX Listing Rule 10.15

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15, the following information is provided in relation to Resolutions 6 and 7.

- (a) The Share Appreciation Rights will be issued to the related parties, (or their nominees) as follows:
 - (i) Mr William Blackburn (Resolution 6); and
 - (ii) Dr Robert Brookins (Resolution 7).
 - (b) Each of the persons in Resolutions 6 and 7 fall within the category set out in Listing Rule 10.14.1 as they are related parties of the Company by virtue of being Directors.
-

- (c) The maximum number of Share Appreciation Rights to be granted to each of Mr Blackburn and Dr Brookins (or their nominees) in total is 50,930,054.
- (d) The current remuneration for each of the Directors:
 - (i) Mr Blackburn – total remuneration package is US\$437,000 comprising of salary of US\$336,000 and a potential short term incentive payment of US\$101,000.
 - (ii) Dr Brookins - total remuneration package is US\$424,000 comprising of salary of US\$326,000 and a potential short term incentive payment of US\$98,000.

If the Share Appreciation Rights for FY25 are granted, the total remuneration package for Mr Blackburn and Dr Brookins will increase by US\$108,117 to US\$545,117 and US\$104,790 to US\$528,790 respectively, with such increase being the value of the Share Appreciation Rights based on the Black Scholes methodology.

- (e) Number of Share Appreciation Rights issued to the Directors under the SAR Plan are as follows:

- (i) **Mr Blackburn**

Shareholder approval was obtained in 2023 to issue 6,712,233 FY24 Share Appreciation Rights for the period 1 July 2023 – 30 June 2024. The Share Appreciation Rights were issued at nil consideration and the fair value at issuance was A\$.0021.

Shareholder approval was obtained in 2022 to issue 6,712,233 FY23 Share Appreciation Rights for the period 1 September 2022 to 30 June 2023. The Share Appreciation Rights were issued at nil consideration and the fair value at issuance was A\$0.0046.

Shareholder approval was obtained in 2022 to issue 16,131,415 Share Appreciation Rights as an additional one-off grant. The Share Appreciation Rights were issued at nil consideration and the fair value at issuance was A\$0.0056.

- (ii) **Dr Brookins**

Shareholder approval was obtained in 2023 to issue 6,505,703 FY24 Share Appreciation Rights for the period 1 July 2023 – 30 June 2024. The Share Appreciation Rights were issued at nil consideration and the fair value at issuance was A\$.0021.

Shareholder approval was obtained in 2022 to issue 6,505,703 FY23 Share Appreciation Rights for the period 1 July 2022 – 30 June 2023. The Share Appreciation Rights were issued at nil consideration and the fair value at issuance was A\$0.0046.

Shareholder approval was obtained in 2021 to issue 6,871,445 FY22 Share Appreciation Rights for the period 1 July 2021 – 30 June 2022. The Share Appreciation Rights were issued at nil consideration and the fair value at issuance was A\$0.0380.

- (f) The Share Appreciation Rights Plan Rules are set out in Schedule 1.
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- (g) It is expected that the Share Appreciation Rights will be issued within one month after the Shareholder approval is obtained and, in any event, no later than three years after the date of the meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rule) and it is anticipated that the Share Appreciation Rights will be issued on one date.
- (h) The number of Share Appreciation Rights will be capable of conversion into a number of Shares in the Company based on the formula set out in the SAR plan.
- (i) The Share Appreciation Rights are being issued so that the incentives for Mr Blackburn and Dr Brookins are reflective of the value appreciation in the Company's Shares from the date of issue of the Share Appreciation Rights.
- (j) The Share Appreciation Rights will be issued for nil cash consideration and no cash consideration will be payable upon the vesting of the Share Appreciation Rights or the subsequent issue of Shares (if any).
- (k) Subject to the Corporations Act and ASX Listing Rules, any full time or part time employee or a casual employee, or officer or director (Executive or Non-Executive) of the Company and any associate body corporate is entitled to participate in the SAR Plan.
- (l) There will be no loan made to Mr Blackburn or Dr Brookins in relation to the issue of Share Appreciation Rights.
- (m) Details of any Securities issued under the SAR Plan will be published in the Annual Report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.
- (n) Any additional person covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the SAR Plan, after these Resolutions are approved, and who are not named in this Notice of Meeting, will not participate until approval is obtained under that rule.

6.6 Board recommendation

The Board (with Mr Blackburn and Dr Brookins abstaining) recommends that Shareholders vote **in favour** of Resolutions 6 and 7.

7. RESOLUTION 8 – ISSUE OF SHARES IN LIEU OF 2023/24 INTERIM CHAIR FEES – SIMON MOORE

7.1 BACKGROUND

At the 2023 Annual General Meeting (Resolution 5), Shareholder approval was obtained for the issue of shares (**Remuneration Shares** or **SILOS**) to Mr Simon Moore, in lieu of cash remuneration for the period 1 July 2023 to 30 June 2024, up to the value of US\$70,000.00.

Following resignation of Ms Rosheen Garnon, Mr Simon Moore was elected as Interim Chair effective from 2 November 2023.

As a result of Mr Moore's appointment as the Interim Chair together with his ongoing commitment chairing Audit Committee and a continuing member of Risk

and Nomination & Remuneration Committees, his director annual fees were increased from US\$70,000.00 to US\$100,000.00. As a result, his prorated fees for the fiscal year from 1 July 2023 to 30 June 2024 increased from US\$70,000 to US\$89,833.

Mr Moore has elected to receive Remuneration Shares for the additional Director fees of US\$19,833 for the period 1 July 2023 to 30 June 2024.

Resolution 8 therefore seeks Shareholder approval to issue fully paid ordinary shares in lieu of the additional director fees of US\$19,833. If Resolution 8 is not passed, then the Company will need to pay Mr Moore US\$19,833 for the additional fees accrued.

Applicable Corporations Act Chapter 2E

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

- (a) The giving of the financial benefit falls within one of the exceptions to the provisions; or
- (b) Shareholder approval is obtained prior to giving the financial benefit.

The proposed issue of Remuneration Shares (which is a type of equity security, for the purposes of the Chapter 2E of the Corporations Act) constitutes the giving of a financial benefit.

A "related party" for the purposes of the Corporations Act and the ASX Listing Rules is widely defined and includes a director of a public company, a spouse of a director of a public company or an entity controlled by a director of a public company.

For Mr Moore, whom the issue of Remuneration Shares was considered, the other non-conflicted Directors considered the proposed issue, and formed the view that the giving of the financial benefit to that Director was reasonable remuneration given the circumstances of the Company, the quantum of the Remuneration Shares and the responsibilities held by that Company. The Board also notes that the issue of Remuneration Shares is in lieu of and not in addition to cash remuneration to which the Director is otherwise entitled.

Accordingly, the non-conflicted directors of the Company believe that the issue of those Remuneration Shares to each of the Directors fall within the "reasonable remuneration" exception as set out in section 211 of the Corporations Act and relies on this exception for the purposes of this Resolution. Therefore, the proposed issue of Remuneration Shares requires Shareholder approval under and for the purposes of ASX Listing Rule 10.14 only.

7.2 Applicable ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire securities under an Employee Incentive Scheme unless it obtains the approval of its shareholders:

- (a) a director of the Company;
 - (b) an Associate of a director of the Company;
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- (c) 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.

As the person is Resolution 8 is a director of the Company, the proposed issue of Remuneration Shares constitutes the acquisition of securities under an Employee Securities Incentive Plan for the purposes of ASX Listing Rule 10.14 and therefore requires the approval of the Company's shareholders under ASX Listing Rule 10.14. To this end, Resolution 8 seeks Shareholder approval to issue the Remuneration Shares under and for the purposes of ASX Listing Rule 10.14.

If approval is obtained under ASX Listing Rule 10.14, in accordance with ASX Listing Rule 10.12 (exception 8), separate approval is not required under ASX Listing Rule 10.11. If the Resolution 8 is passed, the Company will be able to proceed with the proposed issue of additional Remuneration Shares in the manner set out in this Explanatory Memorandum for that resolution.

If Resolution 8 is not passed, the Company will not be able to proceed with the proposed issue of additional Remuneration Shares and the payment of Directors' fees under that resolution, and therefore, the Company will pay cash to the relevant director for their remuneration.

7.3 Technical information required by ASX Listing Rule 10.15

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15, the following information is provided in relation to Resolution 8.

- (a) The additional Remuneration Shares will be issued to Mr Simon Moore or his nominee.
- (b) Mr Moore falls within ASX Listing Rule 10.14.1 by virtue of being a director.
- (c) The maximum number of additional Remuneration Shares to be granted is two million, six hundred thirty-two thousand, six hundred eighty-one (2,632,681).
- (d) The remuneration package for Mr Moore for the FY2024 was US\$89,833 comprising of prorated salary of US\$89,833 and no short-term incentive.
- (e) As at the date of this Notice, Mr Moore had received the following Remuneration Shares:
- Shareholder approval was obtained in 2023 to issue Remuneration Shares in lieu of US\$70,000.00 of cash remuneration for the 12-month period 1 July 2023 – 30 June 2024.

4,184,624 shares were issued for the period 1 July 2023 – 31 December 2023.

3,651,206 shares were issued for the period 1 January 2024 – 30 June 2024.
 - Shareholder approval was obtained in 2022 to issue Remuneration Shares in lieu of US\$70,000.00 of cash remuneration for the 12-month period 1 July 2022 – 30 June 2023.

2,572,967 shares were issued for the period 1 July 2022 – 31 December 2022; and
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3,013,895 shares were issued for the period 1 January 2023 – 30 June 2023.

- (f) The Remuneration Shares will be fully paid on issue and rank equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (g) Given the Director fees have already accrued, it is expected that the Remuneration Shares will be issued within one month after the date of the Shareholder approval.
- (h) The Remuneration Shares are fully paid ordinary shares issued on the same terms as the Company's existing shares.
- (i) There will be no loan made to the person in relation to the issue of Remuneration Shares.
- (j) Details of any securities issued under the Scheme will be published in the Annual Report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.
- (k) Any additional person covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the Scheme, after this resolution is approved, and who are not named in this Notice of Meeting, will not participate until approval is obtained under that rule.

7.4 Board recommendation

The Board (with Mr Moore abstaining) recommends that Shareholders vote **in favour** of Resolution 8.

8. RESOLUTIONS 9 - 13 – ISSUE OF SHARES TO NON-EXECUTIVE DIRECTORS

8.1 Background

Each of Mr Moore, Dr Stenson, Mr Dennis, Mr Strickland and Mr Lane have executed Letters of Appointment with the Company pursuant to which the Directors agreed to provide services to the Company as Non-Executive Directors in return for receipt of fees for acting as Directors.

The proposed issue of Remuneration Shares under Resolutions 9 - 13 is under the Employee Incentive Plan that was approved by the Shareholders at the 2022 annual general meeting. The material terms of the Employee Incentive Plan are included in Schedule 2 of the Notice of Meeting.

In consultation with the Board, each of Mr Moore, Dr Stenson, Mr Dennis, Mr Strickland and Mr Lane have elected to sacrifice the full amount, or a portion of their remuneration, to acquire Shares in the Company over the H1 FY25 period.

The Remuneration Shares are being issued to Mr Moore, Dr Stenson, Mr Dennis, Mr Strickland and Mr Lane in lieu of cash remuneration for the period 1 July 2024 to 31 December 2024.

The Directors have agreed to consider their election to receive Remuneration Shares in lieu of Director fees for the period 1 January 2025 to 30 June 2025 in December 2024.

If all or any of the Directors wish to receive Remuneration Shares in lieu of Director fees for the second half of FY25, they will be permitted to do so subject to approval by the Shareholders pursuant to Resolutions 9 – 13 of this Notice of Meeting.

The proposed issues are considered to be a cost effective and efficient method to remunerate the Directors and preserve the Company's cash reserves.

Resolutions 9 - 13, therefore, seek Shareholder approval for the purposes of Listing Rule 10.14 to issue Remuneration Shares in lieu of Director fees:

- (a) up to the value of US\$100,000.00 to Simon Moore (or his nominee), Non-Executive Director of the Company (Resolution 9);
- (b) up to the value of US\$65,000.00 to Paul Stenson (or his nominee), Non-Executive Director of the Company (Resolution 10);
- (c) up to the value of US\$65,000.00 to Carl Dennis (or his nominee), Non-Executive Director of the Company (Resolution 11);
- (d) up to the value of US\$50,000.00 to Martyn Strickland (or his nominee), Non-Executive Director of the Company (Resolution 12); and
- (e) Up to the value of US\$50,000.00 to Randall Lane (or his nominee), Non-Executive Director of the Company (Resolution 13).

8.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 6.2 above.

For each Director for whom the issue of Remuneration Shares were considered, the other non-conflicted Directors considered the proposed issue, and formed the view that the giving of the financial benefit to that Director(s) was reasonable remuneration given the circumstances of the Company, the quantum of the Remuneration Shares and the responsibilities held by that Director in the Company. The Board also notes that the issue of Remuneration Shares is in lieu of and not in addition to cash remuneration to which each Director is otherwise entitled.

Accordingly, the non-conflicted Directors of the Company believe that the issue of these Remuneration Shares to each of the Directors fall within the "reasonable remuneration" exception as set out in section 211 of the Corporations Act and relies on this exception for the purposes of these Resolutions. Therefore, the proposed issue of Remuneration Shares requires shareholder approval under and for the purposes of Listing Rules 10.14 only.

8.3 ASX Listing Rule 10.14

A summary of Listing Rule 10.14 is set out in Section 6.3 above.

As each of the persons in Resolutions 9 - 13 are Directors of the Company, the proposed issue of Remuneration Shares constitutes the acquisition of securities under an Employee Securities Incentive Plan for the purposes of Listing Rule 10.14 and therefore requires the approval of the Company's shareholders under Listing Rule 10.14.

To this end, Resolutions 9 - 13 seek the required Shareholder approval to issue the Remuneration Shares under the and for the purposes of Listing Rule 10.14.

8.4 Technical information required by Listing Rule 14.1A

If any of Resolutions 9 - 13 are passed, the Company will be able to proceed with the relevant issue within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for each relevant issue (because approval is being obtained under Listing Rule 10.14), the relevant issue will not use up any of the Company's 15% annual placement capacity.

If any of Resolutions 9 - 13 are not passed, the Company will not be able to proceed with the proposed issues and the payment of Directors' fees under that Resolution, and therefore, the Company will pay cash to the relevant Director for their remuneration.

8.5 Technical Information required by ASX Listing Rule 10.15

The following information in relation to the issue of Remuneration Shares to Directors of the Company is provided to Shareholders for the purposes of ASX Listing Rule 10.15:

- (a) The Remuneration Shares will be issued to the related parties as follows:
 - (i) Mr Simon Moore (Resolution 9);
 - (ii) Dr Paul Stenson (Resolution 10);
 - (iii) Mr Carl Dennis (Resolution 11);
 - (iv) Mr Martyn Strickland (Resolution 12); and
 - (v) Mr Randall Lane (Resolution 13).
- (b) Each of the persons in Resolutions 9 – 13 are Directors of the Company.
- (c) The maximum number of Remuneration Shares to be issued under the relevant Resolution will be determined on a monthly basis by first dividing the participating director's annual fees in USD by 12 to ascertain the monthly director's fees in USD. Then, for each month of salary sacrifice, the monthly director's fees in USD will be converted to AUD using the average USD-AUD exchange rate for the relevant month of service which is then divided by the VWAP for the relevant month of service. For this purpose, VWAP will be defined as the 5-day volume weighted average price over the last five days of the month to which the service relates to.

$$\begin{array}{l} \text{Shares Earned per Month} \\ \text{(AUD)} \end{array} = \frac{\text{Monthly Sacrificed Remuneration (AUD)}}{\text{5-Day VWAP for the Month of Service}}$$

The maximum number of Remuneration Shares which may be issued to each of the persons in Resolutions 9 - 13 is not certain because the number of Remuneration Shares to be issued is based on the monthly VWAP for Shares to which the fees relate and as at the date of the Notice of Meeting this cannot be calculated for future months.

- (d) The current total remuneration for each of the Directors:
-

- (i) Mr Simon Moore – total remuneration package is US\$100,000.00, comprising of directors' fees of US\$100,000.00;
- (ii) Dr Paul Stenson – total remuneration package is US\$65,000.00 comprising of directors' fees of US\$65,000.00;
- (iii) Mr Carl Dennis – total remuneration package is US\$65,000.00 comprising of directors' fees of US\$65,000.00;
- (iv) Mr Martyn Strickland – total remuneration package is US\$50,000.00 comprising of directors' fees of US\$50,000.00; and
- (v) Mr Randall Lane - total remuneration package is US\$50,000.00 comprising of directors' fees of US\$50,000.00.

Mr Lane at times acts as a technical consultant to the business, a role for which he is independently remunerated on a per diem basis.)

- (e) Number of Securities previously issued to the Directors under the Employee Incentive Plan are as follows:

- (i) **Simon Moore**

- Shareholder approval was obtained in 2023 to issue Remuneration Shares in lieu of US\$70,000.00 of cash remuneration for the 12-month period 1 July 2023 – 30 June 2024.

4,184,624 Shares were issued for the period 1 July 2023 – 31 December 2023.

3,651,206 Shares were issued for the period 1 January 2024 – 30 June 2024.

- Shareholder approval was obtained in 2022 to issue Remuneration Shares in lieu of US\$70,000.00 of cash remuneration for the 12-month period 1 July 2022 – 30 June 2023.

2,572,967 Shares were issued for the period 1 July 2022 – 31 December 2022; and

3,013,895 Shares were issued for the period 1 January 2023 – 30 June 2023

- (ii) **Dr Paul Stenson**

- Shareholder approval was obtained in 2023 to issue Remuneration Shares in lieu of US\$32,500.00 of cash remuneration for the 6-month period 1 January 2024 – 30 June 2024.

4,084,530 Shares were issued for the period 1 January 2024 – 30 June 2024

- (iii) **Mr Carl Dennis**

- Shareholder approval was obtained in 2023 to issue Remuneration Shares in lieu of US\$32,500.00 of cash remuneration for the 6-month period 1 July 2023 – 30 June 2024

4,084,530 Shares were issued for the period 1 January 2024 – 30 June 2024

- Shareholder approval was obtained in 2021 to issue Remuneration Shares in lieu of US\$13,500.00 of cash remuneration for the period 1 September 2021 to 31 August 2022.

364,536 Shares were issued for the period 1 September 2021 – 31 August 2022.

(iv) **Mr Martyn Strickland** – Nil

(v) **Mr Randall Lane** – Nil

- (f) The Remuneration Shares will be fully paid on issue and rank equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (g) The material terms of the Employee Incentive Plan are included in Schedule 2 of the Notice of Meeting.
- (h) In accordance with the Listing Rule 10.15.7, the Remuneration Shares will be issued no later than three years from Shareholder approval (or otherwise as determined by the ASX in the exercise of their discretion).

It is expected that Remuneration Shares will be accrued at the end of each month and issued in two tranches. Remuneration Shares for the period 1 July to 31 December 2024 are expected to be issued shortly after the lodgement of the half year financial results and the second tranche for the period 1 January 2025 to 30 June 2025 are expected to be issued shortly after the lodgement of the annual results.

In the event that any of Mr Moore, Dr Stenson, Mr Dennis, Mr Strickland and Mr Lane cease to be a Director, no further Remuneration Shares will be issued to the relevant Director, other than any Remuneration Shares to be issued for Director fees accrued up to the date the relevant Directorship ceases.

- (i) There will be no loan made to the person in relation to the issue of Remuneration Shares.
 - (j) Details of any Securities issued under the Employee Incentive Plan will be published in each Annual Report of the Company relating to a period which securities have been issued, and that approval for the issue of securities was obtained under ASX Listing Rule 10.14.
 - (k) 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 was approved and who were not names in the Notice of Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.
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8.6 Board recommendation

The Board (with Mr Moore, Dr Stenson, Mr Dennis, Mr Strickland and Mr Lane abstaining from their relevant Resolution) recommends that Shareholders vote in favour of Resolutions 9, 10, 11, 12 and 13.

9. RESOLUTION 14 - APPROVAL OF 10% PLACEMENT FACILITY

This Resolution seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without 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 the 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.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less.

The Company is an eligible entity for these purposes.

Resolution 14 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

9.1 Technical information required by Listing Rule 14.1A

If Resolution 14 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 14 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under 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.

9.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 14:

(a) Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expiring on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
 - (ii) the time and date of the Company's next annual general meeting; and
 - (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the
-

nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) **Minimum Price**

Any Equity Securities issued for cash consideration under the 7.1A.3 Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 11(b)(i), the date on which the Equity Securities are issued.

(c) **Use of funds raised under the 7.1A Mandate**

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for working capital and acquisition of materials or new asset opportunities consistent with the Company's existing business operations.

(d) **Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 14 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.006 50% decrease in Issue Price	\$0.012 Issue Price	\$0.024 100% increase in Issue Price
Current Variable A 1,573,878,735	10% Voting dilution	157,387,874	157,387,874	157,387,874
	Funds raised	\$ 944,327	\$ 1,888,654	\$ 3,777,309
50% increase in current Variable A 2,360,818,103	10% Voting dilution	236,081,810	236,081,810	236,081,810
	Funds raised	\$ 1,416,491	\$ 2,832,982	\$ 5,665,963
100% increase in current Variable A	10% Voting dilution	314,775,747	314,775,747	314,775,747

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.006 50% decrease in Issue Price	\$0.012 Issue Price	\$0.024 100% increase in Issue Price
3,147,757,470	Funds raised	\$ 1,888,654	\$ 3,777,309	\$ 7,554,618

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 1,573,878,735 Shares on issue.
2. The table does not include any Shares to be issued pursuant to Resolutions 9 - 13 of this Notice.
3. The issue price set out above is the closing market price of the Shares on the ASX on 10 October 2024.
4. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
5. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
6. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
7. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
8. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
9. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
10. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) Allocation policy under the 7.1A Mandate

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;

- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
 - (iii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
 - (v) prevailing market conditions; and
 - (vi) advice from corporate, financial and broking advisers (if applicable).
- (f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 15 November 2023 (**Previous Approval**).

During the 12-month period preceding the date of the Meeting, being on and from 15 November 2023, the Company has not issued any Equity Securities pursuant to the Previous Approval.

- (g) **Previous approval under Listing Rule 7.1A**

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

9.3 Board recommendation

The Board recommends that Shareholders vote **in favour** of Resolution 14.

10. RESOLUTION 15 - RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS

10.1 Background

Section 648G(1) of the Corporations Act 2001 (Cth) provides that a Company's proportional takeover provisions will cease to have effect at the end of three years from the date of incorporation (or renewal, as the case may be).

Amendments to the Constitution of the Company was last approved by Shareholders at the annual general meeting held in November 2022.

As the amendments to the Constitution did not specifically address the renewal of proportional takeover clause, the provisions of proportional takeover (existing clause 37 of the Constitution) cease to apply.

As per clause 37.6 of the existing Constitution, the proportional takeover provisions cease to have effect on the third anniversary of the date of the adoption of the last renewal of the clause 37.

The Directors consider that it is in the best interests of Shareholders to renew these provisions in their existing form. Accordingly, a special resolution is being put to

Shareholders under section 648G of the Corporations Act to renew clause 37 of the Constitution.

A copy of the Constitution was released to ASX on 16 November 2022 and is available for download from the Company's ASX announcements platform.

If renewed by Shareholders at the meeting, clause 37 will operate for three years from the date of the Meeting (i.e. 20 November 2027, subject to further renewal.

10.2 Information required by section 648G of the Corporations Act

Effect of Provisions

The effect of clause 37 of the Constitution, as renewed, will be that where a proportional takeover bid is made for securities in the Company (i.e. a bid is made for a specified proportion, but not all, of each holder's bid class securities), the Directors must convene a meeting of holders of the relevant securities to vote on a resolution to approve that bid. The meeting must be held, and the resolution voted on, at least 14 days before the offer period under the bid ends.

To be passed, the resolution must be approved by a majority of votes at the meeting (i.e., greater than 50%), excluding votes by the bidder and its associates. However, the Corporations Act also provides that, if the meeting is not held within the time required, then a resolution to approve the proportional takeover bid will be deemed to have been passed.

If the resolution to approve the proportional takeover bid is passed or deemed to have been passed, the transfer of securities resulting from acceptance of an offer under that bid will be permitted, and the transfers registered, subject to the Corporations Act and the Constitution of the Company.

If the resolution is rejected, the registration of any transfer of shares resulting from an offer under the proportional takeover bid will be prohibited, and the bid deemed to be withdrawn. Clause 37 of the Constitution, as renewed, will not apply to full takeover bids.

Reasons for proposing the resolution

The Board considers that shareholders should have the opportunity to vote on a proposed proportional takeover bid.

In the absence of clause 37 of the Constitution, as renewed, a proportional takeover bid for the Company may enable effective control of the Company to be acquired by a person who has not offered to acquire 100% of the Company's shares (and, therefore, has not offered to pay a 'control premium' that reflects 100% ownership).

As a result, if a proportional takeover bid for the Company is made:

- Shareholders may not have the opportunity to dispose of all their Shares; and
 - Shareholders risk becoming part of a minority interest in the Company or suffering loss following such a change of control if the market price of the Company's Shares decreases or the Company's Shares become less attractive and, accordingly, more difficult to sell.
-

If clause 37 of the Constitution is renewed, the Board considers that this risk will be minimised by enabling shareholders to decide whether a proportional takeover bid should be permitted to proceed.

Knowledge of any acquisition proposals

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

Review of proportional takeover approval provisions

The Corporations Act requires these Explanatory Notes to discuss retrospectively the advantages and disadvantages, for directors and members, of the proportional takeover provision proposed to be renewed.

While the proportional takeover approval provisions have been in effect, there have been no takeover bids for the Company, either proportional or otherwise.

Consequently, there are no actual examples against which to review the advantages or disadvantages of the existing proportional takeover approval provisions contained in clause 6 of the Constitution. The Directors are not aware of any potential takeover bid which was discouraged by clause 37 of the Constitution.

Potential advantages and disadvantages

In addition to a retrospective discussion of the provisions proposed to be renewed, the Corporations Act also requires these Explanatory Notes to discuss the potential future advantages and disadvantages of the proposed rule for both directors and members.

The Directors consider that there are no such advantages or disadvantages for them as they remain free to make a recommendation on whether a proportional takeover bid should be accepted.

For members, the potential advantages of clause 6 of the Constitution, as renewed, are that they will provide all relevant holders with the opportunity to consider, discuss in a meeting called specifically for the purpose, and vote on whether a proportional takeover bid should be approved. This affords the relevant holders of shares an opportunity to have a say in the future ownership and control of the Company and help the members to avoid being locked into a minority. The Directors believe this will encourage any proportional takeover bid to be structured so as to be attractive to at least a majority of the relevant holders of shares. It may also discourage the making of a proportional takeover bid that might be considered opportunistic. Finally, knowing the view of a majority of the relevant holders of shares may help each individual holder to assess the likely outcome of the proportional takeover bid and decide whether or not to accept an offer under the bid.

On the other hand, a potential disadvantage for members arising from Rule 6 of the Constitution, if renewed, is that proportional takeover bids may be discouraged by the further procedural steps that the rule will entail and, accordingly, this may reduce any takeover speculation element in the price of the Company's securities. Shareholders may be denied an opportunity to sell a portion of their securities at an attractive price where the majority rejects an offer from persons seeking control of the Company.

These advantages and disadvantages of clause 6 have been applicable during the period that the rule was in effect. It should be noted that during the period that clause 6 was in effect, no takeover bid for securities in the Company (whether proportional or otherwise) has been announced or made.

Resolution 14 is a special resolution and therefore requires 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) to pass.

10.3 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 15.

GLOSSARY

A\$ means Australian dollars.

US\$ means US dollars.

10% Placement Facility has the meaning given in Resolution 14.

AEDT means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

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

ASIC means the Australian Securities & Investments Commission.

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

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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

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 dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Alexium International Group Limited (ACN 064 820 408).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
 - (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.
-

Employee Incentive Plan means the Company's employee incentive plan approved by Shareholders on 16 November 2022.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Memorandum means the explanatory memorandum accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Managing Director means the managing director of the Company who may, in accordance with the ASX Listing Rules, continue to hold office indefinitely without being re-elected to the office.

New Rules means Division 1A in Part 7.12 of the Corporations Act in relation to employee share schemes, as amended by the ASIC Corporations (Employee Share Schemes) Instrument 2022/1021.

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

Option means an option to acquire a Share.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2024.

Remuneration Shares means Shares issued in lieu of cash remuneration.

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

SAR Plan means Alexium Share Appreciation Rights Plan.

Section means a section of the Explanatory Memorandum.

Securities means Shares, Options and/or Share Appreciation Rights (as the context requires).

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

Shareholder means a registered holder of a Share.

Spill Meeting has the meaning given in Section 2.2.

Spill Resolution has the meaning given in Section 2.2.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

SCHEDULE 1 – SHARE APPRECIATION RIGHTS PLAN RULES (SAR PLAN)

(Reference to Resolutions 5, 6 and 7)

The objective of the SAR Plan is to:

- (a) provide an incentive and to reward, retain and motivate participants.
 - (b) recognise the abilities, efforts and contributions of participants to the performance and success of the Group; and
 - (c) provide participant with the opportunity to acquire or increase their ownership interest in the Group.
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ALEXIUM INTERNATIONAL GROUP LIMITED
ACN 064 620 408

SHARE APPRECIATION RIGHTS PLAN RULES

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1. INTRODUCTION

1.1 Plan

The Plan is called the Alexium International Group Limited Share Appreciation Rights Plan ("the **Plan**")

1.2 Objects of Plan

The objects of the Plan are to:

- (a) provide an incentive and to reward, retain and motivate Participants;
- (b) recognise the abilities, efforts and contributions of Participants to the performance and success of the Group; and
- (c) provide Participants with the opportunity to acquire or increase their ownership interest in the Group.

1.3 Consequences

Participation in the Plan has legal, financial and tax consequences. Participants should ensure that they understand those consequences before accepting an Offer.

1.4 General Advice

Advice (if any) given by or on behalf of the Company is general advice only. Participants should obtain their own independent advice (at their own expense) on the legal, financial, taxation and other consequences to them associated with participation in the Plan.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions and Interpretation

In these Rules, unless the context otherwise requires:

"Acceptance" means the acceptance of an Offer by the Eligible Individual in accordance with Rule 5.4.

"Associated Body Corporate" means an associated entity of the Company, where the associated entity is a body corporate (as that term is used in the ESS Regime).

"Ancillary Documentation" means all documentation which the Board specifies in an Invitation that an Eligible Individual must enter into and/or provide in connection with an Acceptance for SARs.

"Application Form" means an application form attached to, or enclosed with, an Invitation.

"Applicable Laws" means any one or more or all, as the context requires of:

- (a) the Corporations Act (including the ESS Regime);
- (b) the Listing Rules;
- (c) the Constitution;
- (d) the Income Tax Assessment Act 1936 (Cth) and *the Income Tax Assessment Act 1997* (Cth);
- (e) any relevant practice note, policy statement, regulatory guide, class order, declaration, guideline, policy, procedure, ruling, judicial interpretation or other guidance note made to clarify, expand or amend (a), (b), or (d) above;
- (f) any other legal requirement (including, without limitation, the rules of the general law, including common law and equity, and any judgment, order, decree, declaration or ruling of a court of competent jurisdiction or government agency binding on a person or the assets of that person) that applies to the Plan; and
- (g) in respect of acquisition or disposals of any Shares, any formal policy relating to dealings in Shares adopted by the Board from time to time, including the Share Trading Policy.

“**ASX**” means the Australian Securities Exchange Limited ACN 008 624 691.

“**Bad Leaver**” is a Participant who ceases to be employed by the Group and who the Board has determined has:

- (a) committed any serious or persistent breach of any provisions of employment;
- (b) been convicted of any criminal offence which involves fraud or dishonesty;
- (c) engaged in any conduct which brings the Company into substantial disrepute;
- (d) committed any wrongful or negligent act or omission which has caused the Company substantial liability;
- (e) engaged in grave misconduct or recklessness in the discharge of the Participant's duties;
- (f) become disqualified from managing corporations in accordance with Part 2D.6 of the Corporations Act or has committed any act that, pursuant to the Corporations Act, may result in the Participant being banned from managing a corporation; or
- (g) engaged in any other conduct which the Board reasonably considers to be analogous to, or having a substantially similar seriousness to, any of the circumstances specified in paragraphs (a) to (f) of this definition.

“**Board**” means the board of directors of the Company or a person or committee to whom the Board has delegated authority in accordance with Rule 17.2.

“**Bonus Share**” means a Share issued as a part of a pro rata bonus issue to shareholders of the Company.

“**Business Day**” means a day other than a Saturday, Sunday or public holiday in Melbourne.

“**Capital Reconstruction**” means any of the following events:

- (a) the Company issues Shares by way of capitalisation of profits or reserves;
- (b) the Company subdivides or consolidates its Shares;
- (c) the Company returns issued capital to holders of Shares;
- (d) the Company issues or cancels Shares on a pro-rata basis; or
- (e) the Company reorganises its issued capital in any other manner (other than in lieu of dividends or by way of dividend reinvestment).

“**Change of Control Event**” has the meaning ascribed to it in Rule 11.1.

“**Closing Price**” means the 20-trading day volume weighted average price of a Share calculated as at the Vesting Date of the relevant SAR, or, if the Shares are not traded on ASX, the market value of a Share at that time as determined by the Board in its absolute discretion.

“**Company**” means Alexium International Group Limited ABN 91 064 820 408.

“**Condition**” means any or all Vesting Conditions and Forfeiture Conditions.

“**Constitution**” means the constitution of the Company.

“**Control**” has the meaning given to that term by section 50AA of the Corporations Act.

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

“**Corporations Act Exemption**” means the exemption from various disclosure requirements under the Corporations Act for offers of securities made by a company under an employee share scheme as set out in the ESS Regime.

“**Disposal Restriction**” means the restrictions on disposal of a SAR set out in Rule 7 (as applicable).

"Eligible Individual" means a person that is:

- (a) a 'primary participant' (as that term is defined in the ESS Regime) in relation to the Company or an Associated Body Corporate; and
- (b) who is declared by the Board to be eligible to participate in the Plan from time to time.

"ESS Regime" means Division 1A of Part 7.12 of the Corporations Act which came into effect on 1 October 2022.

"Expiry Date" means, in relation to a SAR, the 'expiry date' which is specified in the Invitation or Vesting Notice (if any).

"Forfeiture Conditions" has the meaning given to that term in Rule 10.1.

"Good Leaver" means a Participant who ceases employment with the Group for reasons of ill-health, total and permanent disability, death, redundancy, retirement with the agreement of the Board or the sale by the Group of its interest in the Associated Body Corporate in which the Participant is employed such that it is no longer an Associated Body Corporate of the Company.

"Grant Date" means, in respect of a SAR, the date, specified in the offer pursuant to which the SAR is granted, as the date on which the SAR will be deemed to have been granted which will be, unless the Board otherwise determines, 20 trading days after the lodgement of the annual accounts of the Company with ASX.

"Group" means the Company and each Associated Body Corporate of the Company.

"Holding Lock" means a "holding lock" as defined in the Listing Rules.

"Invitation" means an invitation to an Eligible Individual to apply for the grant of SARs made in accordance with Rule 5 of this Plan.

"Leaver" means a Participant who ceases employment with the Group and who is not a Bad Leaver or a Good Leaver, including a Participant who ceases employment due to resignation or retirement, without the agreement of the Board.

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

"Market Value of a SAR" means the value of a SAR determined by a valuation methodology approved by the Board, having regard to the Vesting Conditions, the Opening Price, the prices at which the Company's Shares trade on ASX and the risk and volatility of the ASX market in the Company's Shares.

"Notice of Exercise" means a notice given by or on behalf of the Participant (in the form determined by the Board from time to time) to exercise a SAR in accordance with Rule 13.

"Offer" means an offer of SARs made by the Company to an Eligible Individual under this Plan.

"Opening Price" means the 20-trading day volume weighted average price of a Share calculated as at the Grant Date, or, if the Shares are not traded on ASX, the market value of a Share at that time as determined by the Board in its absolute discretion.

"Participant" means an Eligible Individual to whom the Board has resolved to grant SARs under this Plan.

"Plan" means this Share Appreciation Rights Plan.

"Relevant Tax" has the meaning ascribed to it in Rule 21.3.

"Restriction Period" means one year after the date on which a Share is issued on exercise of a SAR.

"Rules" means these rules.

"SAR" means a share appreciation right, being a right of a Participant to receive a future payment settled by issuing Shares (unless the Board in its absolute discretion otherwise

determines) equal to the positive difference between the Opening Price and the Closing Price in accordance with this Plan.

"SAR Plan Share" means a Share issued on exercise of a SAR.

"Security Interest" means any mortgage, lien, encumbrance, charge, pledge, claim, trust arrangement, preferential right, right of set-off or other form of security interest or third-party interest of any kind.

"Share" means an ordinary share in the capital of the Company.

"Vesting Conditions" means a condition determined by the Board in accordance with Rule 9 and described in the Offer.

"Vesting Date" means in respect of a SAR, the date on which the last of the Vesting Conditions in respect of that SAR is satisfied, waived by the Board or is deemed to be satisfied under these Rules.

"Vesting Notice" means, in relation to a SAR, the notice given by or on behalf of the Company to a Participant informing him or her that the SAR may be exercised in accordance with the terms of these Rules.

2.2 **Words and expressions**

In these Rules, unless the context requires otherwise:

- (a) the singular includes the plural and vice versa;
- (b) words denoting any gender include all genders;
- (c) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (d) a reference to a Rule, paragraph, schedule or annexure is a reference to a Rule, paragraph, schedule or annexure to or of this document;
- (e) a reference to this document includes any schedules or annexures;
- (f) Headings are for convenience and do not affect interpretation;
- (g) the introduction to these Rules is adopted as and forms part of these Rules;
- (h) a reference to any document or agreement includes a reference to that document or agreement as amended, novated, supplemented, varied or replaced from time to time;
- (i) a reference to "\$", or "dollar" is a reference to United States currency;
- (j) a reference to a time is a reference to Australian Eastern Standard Time or Australian Eastern Daylight Time, whichever is appropriate;
- (k) a reference to a party includes its executors, administrators, successors, substitutes (including persons taking by novation) and permitted assigns;
- (l) (I) a reference to writing includes any method of representing words, figures or symbols in a permanent and visible form;
- (m) words and expressions denoting natural persons include bodies corporate, partnerships, associations, firms, governments and governmental authorities and agencies and vice versa;
- (n) a reference to any legislation or to any provision of any legislation includes:
 - (i) any modification or re-enactment of the legislation;
 - (ii) any legislative provision substituted for, and all legislation, statutory instruments and regulations issued under, the legislation or provision; and
 - (iii) where relevant, corresponding legislation in any Australian State or Territory;

- (o) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this document or any part of it; and
- (p) the words "including", "for example", "such as" or other similar expressions (in any form) are not words of limitation.

2.3 Other rules of interpretation

In this document, unless expressly provided otherwise:

- (a) **(Method of payment)** any payment of money by one party to another will be made in Australian currency by Bank cheque or by credit of cleared funds to a Bank account specified by the recipient;
- (b) **(Consents and approvals)** if the doing of any act, matter or thing requires the consent, approval or agreement of any party, that consent, approval or agreement may be given conditionally or unconditionally or withheld in that party's absolute discretion; and
- (c) **(Business Day)** if:
 - (i) the day on or by which any act, matter or thing is to be done is a day other than a Business Day, the act, matter, or thing will be done on the next Business Day; and
 - (ii) any money falls due for payment on a date other than a Business Day, that money will be paid on the next Business Day (without interest or any other amount being payable in respect of the intervening period).

3. DURATION OF THE PLAN

- 3.1 Subject to the passing of any necessary resolution approving the establishment of the Plan and the issue of the Offers, the Plan will take effect when the Board decides.
- 3.2 The Board may suspend (either for a fixed period or indefinitely), end any period of suspension, terminate, or amend the Plan at any time, subject to any resolution of the Company required by the Listing Rules.
- 3.3 If the Plan terminates, is suspended, or is discontinued for any reason, the accrued rights of the Participants will not be prejudiced.

4. SARs

- 4.1 Subject to Rule 6, the Company may, at the discretion of the Board, make Offers and issue SARs to Eligible Individuals under the Plan.
- 4.2 Unless the Board otherwise determines, the number of SARs offered to an Eligible Individual will be determined as follows:

$$\frac{\text{LTI}\% \times \text{TRP}}{\text{MV}}$$

Where:

- LTI% = the percentage determined by the Board to be appropriate to provide as a long-term incentive to the Eligible Individual;
- TRP = the total fixed remuneration payable to an Eligible Individual in respect of a 12-month period; and
- MV = the Market Value of a SAR

5. OFFER TO PARTICIPATE

- 5.1 An Offer must be made in writing using an Invitation and must include the following particulars:
 - (a) the name of the Eligible Individual;

- (b) the number of SARs being offered;
- (c) the Market Value of a SAR;
- (d) the manner in which the Opening Price and Closing Price in respect of the SARs are to be determined;
- (e) the Grant Date;
- (f) the Vesting Conditions applying to the SARs (if any);
- (g) the other Conditions (if any) applying to the SARs;
- (h) the Disposal Restrictions applying to the SARs and the SAR Plan Shares;
- (i) the closing date for accepting the Offer;
- (j) the method by which SAR Plan Shares will be delivered to the Participant under Rule 13 after the valid exercise of the SAR (if relevant);
- (k) any other terms and conditions the Board considers appropriate or which are required to be specified in the Offer by either the Corporations Act or the Listing Rules; and
- (l) unless the tax laws applicable to the Plan have been changed, a statement that the SARs issued pursuant to the Offer, and in accordance with these Rules, are subject to deferred taxation pursuant to sub-division 83A-C of the *Income Tax Assessment Act 1997* (Cth), except to the extent an Invitation provides otherwise.

5.2 An Invitation to an Eligible Individual must be accompanied by an Application Form and the Ancillary Documentation (if any).

5.3 An Offer is not transferable by an Eligible Individual.

5.4 If the Eligible Individual wishes to participate in the Plan, he or she must, on or before the closing date for accepting the Offer stated in the Invitation send the completed Application Form to the Company (or its designated officer as set out in the Application Form) and do what is otherwise specified in the Invitation in order to accept the Offer.

5.5 An Offer lapses if it is not accepted by the Eligible Individual to whom the Offer is made as required under Rule 5.4.

5.6 An Eligible Individual may accept an Offer in whole or in part. The Company may not grant a SAR to an Eligible Individual unless it has received a duly signed and completed Application Form together with all applicable Ancillary Documentation from that Eligible Individual. The Application Form and, where applicable, the Ancillary Documentation must be in the form included with the Invitation, and may not be made on the basis that it is subject to any terms and conditions other than those specified in the Invitation.

5.7 Upon receiving an Acceptance from an Eligible Individual, the Offer and Acceptance will become binding on the Grant Date and the Board will issue the relevant SARs to the Participant in accordance with the terms of the Invitation.

5.8 An Eligible Individual is not required to pay anything for the grant of SARs and is not entitled to any payment in respect of any part of an Offer which is not accepted.

6. ISSUE LIMITATIONS

6.1 Notwithstanding these Rules or any terms of a SAR, no SARs may be offered, granted, vested or exercised, and no SAR Plan Share may be issued or transferred, if to do so would contravene any Applicable Laws.

6.2 In particular, where monetary consideration is payable by the Eligible Individual, the Company must reasonably believe when making an Invitation:

- (a) the total number of SAR Plan Shares that are, or are covered by the SARs that may be issued under an Invitation; and
- (b) the total number of SAR Plan Shares that are, or are covered by the SARs that have been issued, or could have been issued in connection with the Plan in

reliance on the Corporations Act Exemption at any time during the previous 3 year period prior to the date the Invitation is made, does not exceed 5% of the issued capital of the Company at the date of the Invitation (unless the Constitution specifies a different percentage).

- 6.3 An Offer must not be made to an Eligible Individual if the maximum number of SAR Plan Shares which would be issued to the Eligible Individual on exercise of the SARs would result in the Eligible Individual:
- (a) holding a beneficial interest in more than 10% of the Company; and
 - (b) being in a position to cast, or to control the casting of, more than 10% of the maximum votes that might be cast at a general meeting of the Company.

7. DISPOSAL RESTRICTIONS

- 7.1 SARs and SAR Plan Shares are subject to Disposal Restrictions.
- 7.2 A Participant must not sell, transfer, grant a Security Interest over, or otherwise dispose of a SAR, or agree to do any of those things, without the consent of the Board or as expressly permitted under the terms of the Plan.
- 7.3 If a Participant purports to deal with a SAR in breach of Rule 7.2, the SAR will immediately lapse, unless the Board otherwise determines.
- 7.4 SAR Plan Shares are subject to the following restrictions for the Restriction Period:
- (a) a Participant must not sell, transfer, grant a Security Interest over, or otherwise dispose of any such Shares, or agree to do any of those things, without the consent of the Board or as expressly permitted under the terms of the Plan; and
 - (b) the Company may implement any procedures it considers appropriate to ensure that such Shares are not sold, transferred or otherwise disposed of in breach of Rule 7.4(a), including applying a Holding Lock in respect of those Shares.
- 7.5 After the Restriction Period has expired in respect of a SAR Plan Share, that share will cease to be a SAR Plan Share.

8. CONDITIONS GENERALLY

- 8.1 The Board may determine that SARs offered will be subject to such Conditions as are detailed in the Invitation.
- 8.2 The Board may determine at any time that any or all of the Conditions and Disposal Restrictions applicable to any or all of a Participant's SARs or have been removed or, in the case of Vesting Conditions, have been deemed satisfied.

9. VESTING CONDITIONS

- 9.1 The Board may determine and impose conditions on a SAR that relate to the continuing employment of the Participant at the end of a specified time period and which must be satisfied or waived before a SAR may be exercised under the Rules.
- 9.2 The Board may apply different Vesting Conditions to one or more SARs granted to a Participant.
- 9.3 Any Vesting Conditions applicable to a SAR must be specified in the relevant Invitation made to an Eligible Individual.

10. FORFEITURE CONDITIONS

- 10.1 Unless determined otherwise by the Board, while SARs are held by a Participant, they are subject to forfeiture if any of the following conditions (Forfeiture Conditions) are satisfied:
- (a) if the Participant is determined by the Board to be a Bad Leaver, on the cessation of their employment all rights, entitlements and interests in any SARs held by the Participant will be forfeited;

- (b) if the Participant is determined by the Board to be a Leaver, on the cessation of their employment, all rights, entitlements, and interests in any SARs held by the Participant will normally be forfeited, subject to the Board's discretion to permit some or all of those SARs to vest having regard to the Board's assessment of the circumstances in which the Participant has ceased employment; and
- (c) if the Participant is determined by the Board to be a Good Leaver, on the cessation of their employment, SARs will vest pro rata to the proportion of the period from the Grant Date to the date the Vesting Conditions are required to be satisfied that has elapsed as at that date, and all rights, entitlements and interests in any remaining unvested SARs held by the Participant will normally be forfeited, subject to the Board's discretion to permit some or all of those SARs to vest having regard to the Board's assessment of the circumstances in which the Participant has ceased employment; and
- (d) if, in the opinion of the Board, any of the Vesting Conditions have not been or cannot be satisfied for any reason, all of the Participant's SARs which are subject to those Vesting Conditions will be forfeited.

10.2 The Board may waive any or all of the Forfeiture Conditions.

10.3 A Participant will not be entitled to any compensation, damage, or other amounts in respect of SARs which have been forfeited.

11. CHANGE OF CONTROL

11.1 A "**Change of Control Event**" occurs in the following circumstances:

- (a) an offer is made by a person for the whole of the issued ordinary share capital of the Company (or any part exceeding more than fifty per cent (50%) of the issued ordinary share capital of the Company) and after announcement of the offer the offeror (being a person who did not Control the Company prior to the offer) acquires Control of the Company;
- (b) the Court sanctions a compromise or arrangement relating to the Company for the purpose of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies which will, upon becoming effective, result in any person (either alone or together with its Associates) owning more than fifty per cent (50%) of the issued ordinary share capital of the Company; or
- (c) any other merger, consolidation or amalgamation involving the Company occurs which results in the holders of Shares immediately prior to the merger, consolidation or amalgamation being entitled to less than fifty per cent (50%) of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation,

but, for the avoidance of doubt, does not include any internal reorganisation of the structure, business and/or assets of the Group.

11.2 If the Company becomes, or in the opinion of the Board is likely to become, subject to a Change of Control Event, all unvested SARs will vest, whether or not any or all applicable Vesting Conditions have been met, on the occurrence of a Change of Control Event so that the Participant may participate in the Change of Control Event. The Board's discretion in determining the treatment of any unvested SARs on a Change of Control Event is limited to vesting or varying the Vesting Conditions in respect to the SARs and does not include a discretion to lapse or forfeit unvested Performance Rights for less than fair value.

12. CANCELLATION, BUYBACK AND LAPSING OF SARs

12.1 Notwithstanding any other provisions of these Rules and subject to the Listing Rules, if a Participant and the Board agree that some or all SARs granted to that Participant may be cancelled on a specified date or on the occurrence of a specified event, the Board may cancel those SARs on the relevant date or on the occurrence of the relevant event

(as the case may be) for no consideration. The Participant will do all such things as the Board reasonably requires giving effect to any such cancellation.

- 12.2 Subject to the Listing Rules and compliance with all application laws, the Company may buy-back SARs for an amount agreed with the Participant at any time (which, if the Shares are listed on ASX, must not exceed the price at which shares last traded on ASX on the trading day immediately prior to the date of the agreement with the Participant). The Participant will do all such things as the Board reasonably requires giving effect to any such buy-back.
- 12.3 unless the Board otherwise determines, a SAR in respect of which the Vesting Conditions are not satisfied, waived by the Board, or deemed by these Rules to have been satisfied as at the relevant date for such satisfaction will lapse automatically at 5.00pm (Melbourne time) on the relevant date for such satisfaction.
- 12.4 A Participant will not be entitled to any compensation, damage or other amounts in respect of SARs which have lapsed.

13. EXERCISE AND SETTLEMENT OF SARs

- 13.1 A SAR will vest when a Vesting Notice in respect of that SAR is given to the Participant. Any Vesting Conditions applicable to that SAR can be waived by the Board by written notice to the relevant Participant and on such terms and conditions as determined by the Board and set out in that notice..
- 13.2 To exercise a SAR, the Participant must deliver a signed Notice of Exercise at any time prior to the earlier of:
- (a) any date specified in the Vesting Notice; and
 - (b) the Expiry Date.
- 13.3 Where required by the Company in accordance with Rule 21.3, the Participant will make payment in full of the Relevant Tax the Company is required to remit because of the exercise of the SAR. The payment received by the Company will be held on behalf of the Participant and remitted to the appropriate taxing authority by the Company on behalf of the Participant.
- 13.4 Upon exercise of SARs in accordance with Rule 13.2, subject to Applicable Law, the Board will determine whether the Company will:
- (a) allot and issue the number of SAR Plan Shares for which the Participant is entitled to acquire through the exercise of the SARs; and/or
 - (b) make a cash payment to the Participant of all or part of the amount which would otherwise be settled by the issue of SAR Plan Shares.
- The outcome of the Board's determination under this Rule 13.4 will be communicated to the Participant in writing before the completion of the exercise of SARs.
- 13.5 On valid exercise of SARs in accordance with Rule 13.2:
- (a) the Company will within 5 Business Days of completing the calculations in accordance with Rules 13.6 or 13.7:
 - (i) allot and issue the relevant SAR Plan Shares in accordance with Rule 13.4(a); and/or
 - (ii) make the cash payment to or on behalf of the Participant in respect of the SARs in accordance with Rule 13.4(b);
 - (b) the Company will issue a substitute Certificate for any remaining SARs.
- 13.6 The number of SAR Plan Shares to be provided to a Participant on exercise of a SAR in accordance with Rule 13.4(a) will be calculated as follows (fractions of a Share being disregarded):

$$\frac{\text{CP}}{\text{CP}} \times \text{N}$$

Where:

- CP = the Closing Price of the SAR;
 OP = the Opening Price of the SAR; and
 N = the total number of vested and exercised SARs in respect of which SAR Plan Shares are to be issued in accordance with Rule 13.4(a)

- 13.7 Where a cash payment is to be made in respect of vested and exercised SARs in accordance with Rule 13.4(b), the cash payment to be made to a Participant will be calculated as follows:

$$(\text{CP} - \text{OP}) \times \text{N}$$

Where:

- CP = the Closing Price of the SAR;
 OP = the Opening Price of the SAR; and
 N = the total number of vested and exercised SARs in respect of which a cash payment is to be made in accordance with Rule 13.4(b)

The resulting value will be paid in cash to the Participant less any Tax, or superannuation required to be withheld to meet the minimum amount required to be contributed by the Company or any company in the Group under Federal superannuation laws to avoid the imposition of a superannuation guarantee charge. Any superannuation contributions deducted from all or part of any cash payment will be paid into an eligible choice fund of a Participant's choice or the Company's default fund where a Participant has not nominated an eligible choice fund.

- 13.8 For the avoidance of doubt, if, at the date of exercise of a SAR, the Closing Price in respect of the SAR is equal to or less than the Opening Price of the SAR, no allotment and issue or payment of cash will be made or due under the Plan in respect of the SARs so exercised and those SARs will lapse in accordance with Rule 12.

14. RIGHTS ATTACHING TO SAR PLAN SHARES

- 14.1 Subject to Rule 14.2, a Participant is entitled to any rights which accrue to SAR Plan Shares held by the Participant and may deal with those rights in accordance with the terms of these Rules and the Offer.
- 14.2 SAR Plan Shares acquired under the Plan rank equally in all respects with all Shares of the same class which have a record date for determining entitlements on or after the date of issue of the SAR Plan Shares.
- 14.3 Subject to Rule 14.4, a Participant is entitled to any Bonus Shares which accrue to any SAR Plan Shares held by the Participant.
- 14.4 Upon issue of Bonus Shares to a Participant, the Bonus Shares are deemed, for the purposes of the Plan, to be Shares which were issued to the Participant at the time the SAR Plan Shares to which the Bonus Shares accrued were issued to the Participant and are therefore bound by the same terms and conditions applicable to those SAR Plan Shares including Disposal Restrictions.
- 14.5 A Participant may exercise any voting rights attaching to SAR Plan Shares registered in the Participant's name.

15. ADJUSTMENTS OF SARs

- 15.1 If a Capital Reconstruction occurs, the Board may adjust the number of SARs to which a Participant is entitled and/or the Opening Price of the SAR in a similar manner to that required for options under the Listing Rules.
- 15.2 In the application of this Rule 15.1 and subject to the Listing Rules, the Board may (as far as possible) make whatever adjustments it deems necessary or desirable to ensure that the

consequences of that application are fair as between the Participants and the holders of other securities in the Company.

- 15.3 If Shares are issued by the Company pro rata to shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of SARs is entitled, upon exercise of the SARs, to receive, in addition to the Shares in respect of which the SARs are exercised and without the payment of any further consideration, an allotment of as many additional Shares as would have been issued to a shareholder who, on the date for determining entitlements under the bonus issue, held Shares equal in number to the Shares in respect of which the SARs are exercised.
- 15.4 Additional Shares to which the holder of SARs becomes so entitled will, as from the time Shares are issued pursuant to the bonus issue and until those additional Shares are allotted, be regarded as Shares in respect of which the SARs are exercised for the purposes of subsequent applications of Rule 15.3, and any adjustments which, after the time just mentioned, are made under Rules 15.1 and 15.2 to the number of Shares will also be made to the additional Shares.
- 15.5 Unless otherwise determined by the Board, a holder of SARs does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.
- 15.6 Subject to Rules 15.1 to 15.5 (inclusive), during the currency of any SARs and prior to their exercise, the holders of SARs are not entitled to participate in any new issue of Shares of the Company as a result of their holding of SARs.
- 15.7 In the application of this Rule 15 the Board may (as far as possible) make whatever adjustments it deems necessary or desirable to ensure that the consequences of that application are fair as between the Participants and the holders of other securities in the Company, subject to the Listing Rules and other Applicable Laws.
- 15.8 Unless otherwise provided in these Rules, a Participant has no right to change the number of Shares over which a SAR can be exercised.

16. LISTING

- 16.1 Unless otherwise determined by the Board, SARs granted under the Plan will not be quoted on ASX or any other stock exchange.
- 16.2 If the Company is listed on ASX, after the date of issue of SAR Plan Shares, the Company will, unless the Board otherwise resolves, apply for official quotation of those SAR Plan Shares on the ASX within the time required by the Listing Rules after the date of allotment.
- 16.3 If the Company is required (to enable SAR Plan Shares issued on exercise of SARs to be freely tradeable on the ASX) but is unable to give ASX a Cleansing Notice under section 708A(5) of the Corporations Act, SAR Plan Shares issued on exercise of the SARs may not be traded until 12 months after the issue unless the Company, at its sole discretion, elects to issue a cleansing prospectus under section 708A(11) of the Corporations Act.
- 16.4 The Company may use a Holding Lock (or any other mechanism that it deems appropriate), to enforce the terms and conditions of the SAR Plan Shares.
- 16.5 The provisions of the Listing Rules apply to the Plan, and to the extent that the Plan and the Rules are inconsistent, the Listing Rules apply.

17. ADMINISTRATION OF THE PLAN

- 17.1 In administering the Plan:
- (a) the Plan will be administered by the Board. The Board will comply with these Rules, the Constitution and any applicable laws;
 - (b) no act will be done or determination made in accordance with these Rules where to do so would be a breach of any applicable laws, Listing Rules, or the constituent documents of the Company and where any such act is done or determination made, it will be considered voidable and to the extent possible be unwound and of no effect in respect of the SARs or SAR Plan Shares (as applicable);

- (c) every exercise of a power or discretion by the Company or the Board and any decision by the Company or the Board regarding the interpretation, effect or application of these Rules:
 - (i) is made at its absolute and sole discretion;
 - (ii) may be made at any time; and
 - (iii) is final, conclusive and binding; and
 - (d) the Board may exercise any power or discretion conferred on them by these Rules in the interest of, or for the benefit of the Company, and in so doing the Board is not required to act in the interests of another person or as requested by another person and will not be under any fiduciary obligation to another person.
- 17.2 The Board may delegate some or all of its powers and functions under the Plan to a person or to a committee of two or more persons. Where the Board has delegated a power or function to a person or to a committee, references in this Plan to the Company or Board in relation to that power or function will be read as references to that person or committee.
- 17.3 Any communication received by the Company from a Participant's duly appointed legal representative will be deemed a communication from the Participant. The Board reserves the right to make any inquiries or investigations that are necessary to satisfy itself, should there be any doubt, that the representative has been properly appointed.
- 17.4 Nothing in these Rules:
- (a) confers on a Participant the right to receive any SAR Plan Shares;
 - (b) confers on a Participant the right to continue as an Eligible Individual;
 - (c) affects any rights which the Company may have to terminate the employment of any Eligible Individual; or may be used to increase damages in any action brought against the Company in respect of any such termination.
- 17.5 These Rules, any determination of the Board made pursuant to the Rules, and the terms and conditions of any SARs or SAR Plan Shares granted under the Plan will be deemed to form a contract between the Company and the Participant in a court of competent jurisdiction. Each party will in addition to damages be able to seek specific performance of the contract between them as far as specific performance is applicable under a court of competent jurisdiction.
- 17.6 The Participant irrevocably appoints the person who from time to time occupies the position of secretary of the Company (or the secretary's authorised delegate) as his or her attorney to complete and execute any documents including share transfers and to do all acts or things in his or her name on his or her behalf which may be convenient or necessary for the purpose of giving effect to the provisions of these Rules.
- 17.7 The Participant covenants that the Participant will ratify and confirm any act, or thing done, pursuant to power granted to the attorney (or the attorney's duly authorised delegate) under Rule 17.6 and will indemnify the attorney (or his duly authorised delegate) in respect of any or act, or thing done, by the attorney in exercising the power.
- 17.8 Where a grant of SARs is made under this Plan to an Eligible Individual who does not reside in Australia, the Rules of the Plan apply subject to any alterations or additions as the Board sees fit having regard to any applicable laws, matters of convenience or similar factors which may have application to the Eligible Individual or to the Company in relation to the grant.

18. ALTERATION OF THE PLAN

- 18.1 Subject to Rule 18.2 and any restrictions imposed under the Listing Rules, the Board may at any time and from time to time amend or vary these Rules and all or any rights or obligations of the Participants or any of them provided that, subject to the other provisions of the Plan.

- 18.2 No addition, repeal, amendment, alteration or variation of these terms and conditions will:
- (a) without the Participant's consent in writing, materially reduce the Participant's accrued benefits or entitlements as they existed before the date of the amendment;
 - (b) without the Participant's consent in writing, impose additional obligations on the Participant in respect of his or her SARs or SAR Plan Shares; or
 - (c) repeal, amend, alter or vary this Rule 18.2, unless the addition, repeal, amendment, alteration or variation is introduced primarily:
 - (d) for the purpose of complying with or conforming to present or future laws or regulating the maintenance or operation of the Plan or like plans;
 - (e) to correct any manifest error or mistake; or
 - (f) to enable the Plan or the Company to comply with the Corporations Act, the Listing Rules or its Constitution.
- 18.3 Any amendment made pursuant to Rule 18.1 may be given such retrospective effect as is specified in the written instrument or resolution by which the amendment is made.

19. OTHER SCHEMES

- 19.1 The Company and Group are not restricted to using the Plan as the only method of providing incentive rewards to Eligible Individuals and may approve other incentive schemes.
- 19.2 Participation in the Plan does not affect, and is not affected by, participation in any other incentive scheme of the Company or Group unless the terms of that incentive scheme provide otherwise and unless participation in any other incentive scheme of the Company or Group would have the effect of exceeding the issue limitations set out in Rule 6.1.

20. EFFECT OF PARTICIPATION

- 20.1 Nothing in these Rules:
- (a) confers on any Participant the right to continue to be engaged as an employee of the Company or any member of the Group;
 - (b) affects any rights which the Company or any member of the Group may have to terminate the employment of any employee; or
 - (c) may be used to increase damages in any action brought against the Company in respect of any such termination.
- 20.2 Participants issued SARs and SAR Plan Shares under this Plan are bound by these Rules and by the Constitution of the Company.

21. TRANSACTION COSTS AND TAXATION

- 21.1 The Company may, but is not required to, bear all brokerage, commission, or other transaction costs (if any) payable by a Participant in relation to acquisition of Shares under the Plan.
- 21.2 Neither the Company nor its directors, officers, employees, representatives, or agents take any responsibility or assume any liability for the taxation liabilities of Participants.
- 21.3 Upon the exercise or buy-back of a SAR, the Participant must make arrangements satisfactory to the Company regarding payment of any applicable taxation liabilities of the Participant in connection with the exercise or buy-back of the SAR. If the Company is required to remit an amount to a taxation authority on account of taxes payable by or on behalf of the Participant in respect of the exercise or buy-back of the SAR (Relevant Tax), the Board may, in its discretion, do any of the following:
- (a) retain and withhold amounts from any amount or amounts owing to the Participant, whether under this Plan or otherwise;

- (b) require the Participant to pay to the Company the Relevant Tax as a condition of exercise of the SAR by the Participant, with the payment received by the Company will be held on behalf of the Participant, and remitted to the appropriate taxing authority by the Company on behalf of the Participant; and/or
- (c) withhold from the SAR Plan Shares otherwise deliverable to the Participant on exercise of the SAR such number of Shares as have a market value not less than the Relevant Tax and cause such withheld Shares to be sold on the Participant's behalf to fund the Relevant Tax, in which case:
 - (i) the Company will not be responsible for obtaining any particular price for the Shares;
 - (ii) the proceeds of any Shares sold will be held by the Company on behalf of the Participant and remitted to the appropriate taxing authority by the Company on behalf of the Participant; and
 - (iii) any proceeds from that sale in excess of the Relevant Tax will be promptly paid to the Participant.

22. NOTICES

- 22.1 All notices or other communications required to be given by a party must be:
- (a) in writing;
 - (b) signed by a person duly authorised by the sender or, where transmitted by e-mail, sent by a person duly authorised by the sender;
 - (c) directed to the intended recipient's address; and
 - (d) hand delivered, sent by prepaid post or transmitted by e-mail or facsimile to that address.
- 22.2 A notice given in accordance with this Rule 22 is taken as having been given and received:
- (a) if hand delivered, on delivery;
 - (b) if sent by prepaid post, either:
 - (i) on the day on which the relevant postal service estimates delivery will occur, or
 - (ii) on the first day of the period during which the relevant postal service estimates delivery will occur,based on the most recent estimate published by the relevant postal service as at the date on which the notice is sent;
 - (c) if transmitted by e-mail, on transmission; or
 - (d) if transmitted by facsimile, at the time recorded on the transmission report indicating successful transmission of the entire notice,
- but if the delivery or transmission is not on a Business Day or is after 5.00pm (recipient's time) on a Business Day, the notice is taken to be received at 9.00am (recipient's time) on the next Business Day.
- 22.3 Any notice given under or for the purposes of these terms and conditions will be given in writing, signed, and addressed to:
- (a) in the case of the Company — a director or secretary of the Company at such address as is nominated by the Company; or
 - (b) in the case of an Eligible Individual or Participant — the Eligible Individual or the Participant at the address nominated by the Eligible Individual or the Participant.

23. GOVERNING LAW

The Plan, the Rules and the operation of the Plan shall be governed by the laws of the State of Victoria and the Company, each Eligible Individual and each Participant submits to the nonexclusive jurisdiction of the courts of that State.

SCHEDULE 2 – SUMMARY OF TERMS OF EMPLOYEE INCENTIVE PLAN

(Reference to Resolutions 9 to13)

A summary of the material terms of the Company's Employee Incentive Plan (**Plan**) is set out below.

Eligible Participant	Eligible Participant means a person that is a 'primary participant' (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an Associated Body Corporate (as defined in the Corporations Act) and has been determined by the Board to be eligible to participate in the Plan from time to time.
Purpose	The purpose of the Plan is to: (a) assist in the reward, retention and motivation of Eligible Participants; (b) link the reward of Eligible Participants to Shareholder value creation; and (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Shares, Options or Performance Rights (Securities).
Plan administration	The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion (except to the extent that it prevents the Participant relying on the deferred tax concessions under Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth)). The Board may delegate its powers and discretion.
Eligibility, invitation and application	The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for any (or any combination of) the Securities provided under the Plan on such terms and conditions as the Board decides. On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.
Grant of Securities	The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number and type of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
Rights attaching to Convertible Securities	A Convertible Security represents a right to acquire one or more Plan Shares in accordance with the Plan (for example, an Option or a Performance Right). Prior to a Convertible Security being exercised, the holder:

	<p>(a) does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security other than as expressly set out in the Plan;</p> <p>(b) is not entitled to receive notice of, vote at or attend a meeting of the shareholders of the Company;</p> <p>(c) is not entitled to receive any dividends declared by the Company; and</p> <p>(d) is not entitled to participate in any new issue of Shares (see Adjustment of Convertible Securities section below).</p>
<p>Vesting of Convertible Securities</p>	<p>Any vesting conditions which must be satisfied before Convertible Securities can be exercised and converted to Shares will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.</p>
<p>Exercise of Convertible Securities and cashless exercise</p>	<p>To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see next paragraph below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.</p> <p>An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.</p> <p>Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.</p> <p>A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.</p>
<p>Timing of issue of Shares and quotation of Shares on exercise</p>	<p>As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.</p>

Restrictions on dealing with Convertible Securities	<p>A holder may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A holder must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.</p> <p>However, in Special Circumstances as defined under the Plan (including in the case of death or total or permanent disability of the Participant) a Participant may deal with Convertible Securities granted to them under the Plan with the consent of the Board.</p>
Listing of Convertible Securities	<p>A Convertible Security granted under the Plan will not be quoted on the ASX or any other recognised exchange. The Board reserves the right in its absolute discretion to apply for quotation of an Option granted under the Plan on the ASX or any other recognised exchange.</p>
Forfeiture of Convertible Securities	<p>Convertible Securities will be forfeited in the following circumstances:</p> <ul style="list-style-type: none"> (a) where a Participant who holds Convertible Securities ceases to be an Eligible Participant (e.g. is no longer employed or their office or engagement is discontinued with the Group), all unvested Convertible Securities will automatically be forfeited by the Participant; (b) where a Participant acts fraudulently or dishonestly, negligently, in contravention of any Group policy or wilfully breaches their duties to the Group; (c) where there is a failure to satisfy the vesting conditions in accordance with the Plan; (d) on the date the Participant becomes insolvent; or (e) on the Expiry Date.
Change of control	<p>If a change of control event occurs, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the holder's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the holder to participate in and/or benefit from any transaction arising from or in connection with the change of control event.</p>
Adjustment of Convertible Securities	<p>If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.</p> <p>If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.</p>

	<p>Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.</p>
<p>Plan Shares</p>	<p>The Board may, from time to time, make an invitation to an Eligible Participant to acquire Plan Shares under the Plan. The Board will determine in its sole and absolute discretion the acquisition price (if any) for each Plan Share which may be nil. The Plan Shares may be subject to performance hurdles and/or vesting conditions as determined by the Board.</p> <p>Where Plan Shares granted to a Participant are subject to performance hurdles and/or vesting conditions, the Participant's Plan Shares will be subject to certain restrictions until the applicable performance hurdles and/or vesting conditions (if any) have been satisfied, waived by the Board or are deemed to have been satisfied under the Rules.</p>
<p>Rights attaching to Plan Shares</p>	<p>All Shares issued or transferred under the Plan or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank equally in all respects with the Shares of the same class for the time being on issue except for any rights attaching to the Shares by reference to a record date prior to the date of the allotment or transfer of the Plan Shares. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.</p>
<p>Disposal restrictions on Plan Shares</p>	<p>If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.</p> <p>For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:</p> <ul style="list-style-type: none"> (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
<p>General Restrictions on Transfer of Plan Shares</p>	<p>If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Plan Shares issued under the Plan (including on exercise of Convertible Securities) may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Act.</p> <p>Restrictions are imposed by Applicable Law on dealing in Shares by persons who possess material information likely to affect the value of the Shares and which is not generally available. These laws may restrict the acquisition or disposal of Shares by you during the time the holder has such information.</p> <p>Any Plan Shares issued to a holder under the Plan (including upon exercise of Convertible Securities) shall be subject to the terms of the Company's Securities Trading Policy.</p>

Buy-Back	Subject to applicable law, the Company may at any time buy-back Securities in accordance with the terms of the Plan.
Employee Share Trust	The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Convertible Securities for holders under the Plan and delivering Shares on behalf of holders upon exercise of Convertible Securities.
Maximum number of Securities	The Company will not make an invitation under the Plan which involves monetary consideration if the number of Plan Shares that may be issued, or acquired upon exercise of Convertible Securities offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan during the 3 year period ending on the day of the invitation, will exceed 5% of the total number of issued Shares at the date of the invitation (unless the Constitution specifies a different percentage and subject to any limits approved by Shareholders under Listing Rule 7.2 Exception 13(b).
Amendment of Plan	<p>Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.</p> <p>No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.</p>
Plan duration	<p>The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.</p> <p>If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.</p>
Income Tax Assessment Act	The Plan is a plan to which Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth) applies (subject to the conditions in that Act) except to the extent an invitation provides otherwise.