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**AURORA LABS LIMITED**

**ACN 601 164 505**

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**NOTICE OF ANNUAL GENERAL MEETING**

**The Annual General Meeting of the Company will be held at Unit 2, 79 Bushland Ridge, Bibra Lake, WA 6163 on Friday, 20 November 2020 at 11.00am (AWST)**

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

***Should you wish to discuss any matter please do not hesitate to contact the Company, by telephone on +61 8 9434 1934.***

**Shareholders are encouraged to lodge a proxy form prior to the Meeting.**

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# AURORA LABS LIMITED

ACN 601 164 505

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of Aurora Labs Limited (**Company**) will be held at Unit 2, 79 Bushland Ridge, Bibra Lake WA 6163 on Friday, 20 November 2020 at 11.00am (AWST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice. We recommend shareholders read the Explanatory Memorandum in relation to the proposed Resolutions.

All votes taken at the Meeting will be taken on a poll.

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 as Shareholders on Wednesday, 18 November 2020 at 11.00am (AWST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

## AGENDA

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### Annual Report

To consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2020, which includes the Financial Report, the Directors' Report and the Auditor's Report.

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### 1. Resolution 1 – Adoption of Remuneration Report

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

*"That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, approval is given by the Shareholders for the adoption of the Remuneration Report on the terms and conditions in the Explanatory Memorandum."*

#### Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by, or on behalf of:

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

However, a person described above may cast a vote on this Resolution if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

- (a) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on this Resolution; or
- (b) the person is the Chairman voting an undirected proxy which expressly authorises the Chairman to vote the proxy on a resolution connected with the remuneration of a member of the Key Management Personnel.

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### 2. Resolution 2 – Re-election of Terry Stinson as Director

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

*"That, pursuant to and in accordance with Listing Rule 14.4, article 12.3 of the Constitution and for all other purposes, Mr Terry Stinson, Director, who was appointed as an addition to the Board on 26 February 2020, retires and being eligible is elected as a Director on the terms and conditions in the Explanatory Memorandum."*

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### **3. Resolution 3 – Re-election of Grant Mooney as Director**

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

*"That, pursuant to and in accordance with Listing Rule 14.4, article 12.3 of the Constitution and for all other purposes, Mr Grant Mooney, Director, who was appointed as an addition to the Board on 25 March 2020, retires and being eligible is elected as a Director on the terms and conditions in the Explanatory Memorandum."*

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### **4. Resolution 4 – Re-election of Ashley Zimpel as Director**

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

*"That, pursuant to and in accordance with Listing Rule 14.4, article 12.3 of the Constitution and for all other purposes, Mr Ashley Zimpel, Director, who was appointed as an addition to the Board on 25 March 2020, retires and being eligible is elected as a Director on the terms and conditions in the Explanatory Memorandum."*

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### **5. Resolution 5 – Re-election of Norman (Mel) Ashton as Director**

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

*"That, pursuant to and in accordance with Listing Rule 14.4, article 12.3 of the Constitution and for all other purposes, Mr Norman (Mel) Ashton, Director, retires and being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."*

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### **6. Resolution 6 – Ratification of 7.1 Placement**

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

*"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 13,591,956 Shares on the terms and conditions in the Explanatory Memorandum."*

#### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or an associate of that person or those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution that way; or
- (b) the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; 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.

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## 7. Resolution 7 – Ratification of 7.1A Placement

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

*"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 9,937,456 Shares on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or an associate of that person or those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution that way; or
- (b) the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; 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.

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## 8. Resolution 8 – Ratification of Issue of Options to Director, Grant Mooney

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

*"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 2,000,000 Options to Director, Mr Grant Mooney, on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue (namely Mr Mooney (and/or his nominee(s))) or an associate of that person or those persons.

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

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

- (b) the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; 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.

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## **9. Resolution 9 – Ratification of Issue of Options to Director, Ashley Zimpel**

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

*"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 2,000,000 Options to Director, Mr Ashley Zimpel, on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue (namely Mr Zimpel (and/or his nominee(s))) or an associate of that person or those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution that way; or
- (b) the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; 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.

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## **10. Resolution 10 – Approval of Issue of Options to Norman (Mel) Ashton under the Employee Incentive Plan**

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

*"That pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 2,000,000 Options to Mr Norman (Mel) Ashton (and/or his nominee(s)) on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any Director who is eligible to participate in the Plan (including Mr Ashton (and/or his nominee(s))) or an associate of that person or those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chairman to vote on the Resolution as the Chairman decides; or
- (c) a Shareholder acting solely in a nominee, trustee, custodian or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on this Resolution; and
  - (ii) the Shareholder votes on the resolution in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

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## **11. Resolution 11 – Approval of 10% Placement Facility**

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

*"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in the proposed issue or who will obtain a material benefit as a result of the proposed issue (except a benefit solely in the capacity of a holder of ordinary securities in the entity) or an associate of that person or those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution that way; or
- (b) the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; 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.

*Note: As at the date of this Notice, it is not known who may participate in any Equity Securities issued under Resolution 11 and the Company has not approached any Shareholder or identified a class of existing Shareholders to participate in any issue of Equity Securities under the 10% Placement Capacity. Accordingly, no Shareholders are excluded from voting on Resolution 11.*

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## **12. Resolution 12 – Approval of issue of Options to Blue Ocean Equities**

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

*"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 2,000,000 Options to Blue Ocean Equities (or its nominee) on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Blue Ocean Equities (and/or its nominee(s)) or any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution that way; or
- (b) the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; 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.

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## **13. Resolution 13 – Approval of issue of Options to Max Capital**

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

*"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 500,000 Options to Max Capital on the terms and conditions in the Explanatory Memorandum."*

#### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Max Capital (and/or its nominee(s)) or any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution that way; or
- (b) the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; 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
  - (iii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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## **14. Resolution 14 – Increase in Directors' fees**

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

*"That, pursuant to and in accordance with article 12.5 of the Constitution, Listing Rule 10.17 and for all other purposes, the maximum total fees payable to non-executive Directors be increased from \$250,000 per annum to \$350,000 per annum on the terms and conditions in the Explanatory Memorandum."*

#### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a Director or an associate of that person or those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution that way; or
- (b) the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

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## 15. Resolution 15 – Spill Resolution

If 25% or more of votes cast on Resolution 1 are against the adoption of the Remuneration Report, to consider, and if thought fit, to pass with or without amendment as an ordinary resolution the following:

*"That pursuant to and in accordance with section 250V of the Corporations Act and for all other purposes, another meeting (**Spill Meeting**) of the Shareholders be held within 90 days of 22 November 2020, on the terms and conditions in the Explanatory Memorandum, so that:*

- (a) *all of the Directors who hold office at the Meeting will cease to hold office immediately before the end of the Spill Meeting;*
- (b) *resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting (**Vacated Offices**) will be voted on at the Spill Meeting; and*
- (c) *the persons appointed to Vacated Offices at the Spill Meeting may include Directors who hold office at the Meeting."*

### **Voting Exclusion**


A vote on this Resolution must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (c) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or
- (d) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

**BY ORDER OF THE BOARD**

A handwritten signature in black ink, appearing to read "Grant Mooney". The signature is fluid and cursive, with the first name "Grant" and the last name "Mooney" clearly distinguishable.

Grant Mooney  
**Company Secretary**

Dated: 21 October 2020

## **EXPLANATORY MEMORANDUM**

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### **1. Introduction**

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Unit 2, 79 Bushland Ridge, Bibra Lake WA 6163 on 20 November 2020 at 11.00am (AWST).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety.

This Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

All votes taken at the Meeting will be taken on a poll.

Section 2:	Action to be taken by Shareholders
Section 3:	Annual Report
Section 4:	Resolution 1 – Adoption of Remuneration Report
Section 5:	Resolution 2 – Re-election of Terry Stinson as Director
Section 6:	Resolution 3 – Re-election of Grant Mooney as Director
Section 7:	Resolution 4 – Re-election of Ashley Zimpel as Director
Section 8:	Resolution 5 – Re-election of Mel Ashton as Director
Section 9:	Resolution 6 – Ratification of 7.1 Placement – and Resolution 7 – Ratification of 7.1A Placement
Section 10:	Resolution 8 – Ratification of issue of Options to Director, Grant Mooney – and Resolution 9 – Ratification of issue of Options to Director, Ashley Zimpel
Section 11:	Resolution 10 – Approval of issue of Options to Norman (Mel) Ashton under the Employee Incentive Plan
Section 12:	Resolution 11 – Approval of 10% Placement facility
Section 13:	Resolution 12 – Issue of Options to Blue Ocean Equities
Section 14:	Resolution 13 – Issue of Options to Max Capital
Section 15:	Resolution 14 – Increase in Directors' Fees
Section 16:	Resolution 15 – Spill resolution
Schedule 1:	Definitions
Schedule 2:	Summary of Terms and Conditions of Options
Schedule 3:	Summary of Terms and Conditions of Employee Incentive Plan

A Proxy Form is located at the end of the Explanatory Memorandum.

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### **2. Action to be taken by Shareholders**

Shareholders should read the Notice (including this Explanatory Memorandum) carefully before deciding how to vote on the Resolutions.

#### **2.1 Proxies**

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and

encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Returning the Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 11.00am (AWST) on 18 November 2020, being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

## **2.2 Voting Prohibitions by Proxy holders (Remuneration of Key Management Personnel)**

A vote on Resolutions 1 and 15 must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

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## **3. Annual Report**

In accordance with section 317(1) of the Corporations Act the Annual Report must be laid before the annual general meeting. There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at <https://www.auroralabs3d.com/a3d/#/investors/financial-reporting>;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies of the Company in relation to the preparation of the financial statements; and

(d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

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## 4. Resolution 1 – Adoption of Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

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

Shareholders will have the opportunity to remove the whole Board except the Managing Director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

The Company's Remuneration Report received a first Strike at the 2019 annual general meeting. Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company must put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

If the Remuneration Report receives a Strike at this Meeting, Resolution 15 will be voted on at the Meeting. Accordingly, please note that a 'no' vote of 25% or more on Resolution 1 may result in the re-election of the Board.

The Chairman will allow reasonable opportunity for Shareholders to ask questions about or comment on the Remuneration Report.

Resolution 1 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 1.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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## 5. Resolution 2 – Re-election of Terry Stinson as Director

### 5.1 General

In accordance with Listing Rule 14.4, a director appointed as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the entity.

Article 12.2(b) of the Constitution allows the Directors to appoint a person as an addition to the Board at any time. Any Director so appointed holds office until the next general meeting of members of the Company and is eligible for re-election at that meeting.

Mr Terry Stinson was appointed on 26 February 2020 as an addition to the Board. Resolution 2 provides that he retires from office and seeks re-election as a Director.

Details of Mr Stinson's background and experience are set out in the Annual Report.

If Resolution 2 is passed, Mr Stinson will be able to continue to act as a Director.

If Resolution 2 is not passed, Mr Stinson will cease to act as a Director and, if any other Directors who are eligible for re-election at the Meeting are also not re-elected, the Company may have less than three Directors on the Board, in breach of the Corporations Act.

Resolution 2 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 2.

## **5.2 Board Recommendation**

The Board (excluding Mr Stinson) supports the election of Mr Stinson and recommends that Shareholders vote in favour of Resolution 2.

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## **6. Resolution 3 – Re-election of Grant Mooney as Director**

### **6.1 General**

In accordance with Listing Rule 14.4, a director appointed as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the entity.

Article 12.2(b) of the Constitution allows the Directors to appoint a person as an addition to the Board at any time. Any Director so appointed holds office until the next general meeting of members of the Company and is eligible for re-election at that meeting.

Mr Grant Mooney was appointed on 25 March 2020 as an addition to the Board. Resolution 3 provides that he retires from office and seeks re-election as a Director.

Details of Mr Mooney's background and experience are set out in the Annual Report.

If Resolution 3 is passed, Mr Mooney will be able to continue to act as a Director.

If Resolution 3 is not passed, Mr Mooney will cease to act as a Director and, if any other Directors who are eligible for re-election at the Meeting are also not re-elected, the Company may have less than three Directors on the Board, in breach of the Corporations Act.

Resolution 3 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 3.

### **6.2 Board Recommendation**

The Board (excluding Mr Mooney) supports the election of Mr Mooney and recommends that shareholders vote in favour of Resolution 3.

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## **7. Resolution 4 – Re-election of Ashley Zimpel as Director**

### **7.1 General**

In accordance with Listing Rule 14.4, a director appointed as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the entity.

Article 12.2(b) of the Constitution allows the Directors to appoint a person as an addition to the Board at any time. Any Director so appointed holds office until the next general meeting of members of the Company and is eligible for re-election at that meeting.

Mr Ashley Zimpel was appointed on 25 March 2020 as an addition to the Board. Resolution 4 provides that he retires from office and seeks re-election as a Director.

Details of Mr Zimpel's background and experience are set out in the Annual Report.

If Resolution 4 is passed, Mr Zimpel will be able to continue to act as a Director.

If Resolution 4 is not passed, Mr Zimpel will cease to act as a Director and, if any other Directors who are eligible for re-election at the Meeting are also not re-elected, the Company may have less than three Directors on the Board, in breach of the Corporations Act.

Resolution 4 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 4.

### **7.2 Board Recommendation**

The Board (excluding Mr Zimpel) supports the election of Mr Zimpel and recommends that shareholders vote in favour of Resolution 4.

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## 8. Resolution 5 – Re-election of Norman (Mel) Ashton as Director

### 8.1 General

In accordance with Listing Rule 14.4 and Article 12.3(b) of the Constitution, a director must not hold office (without re-election) past the third annual general meeting following the director's appointment, or three years, whichever is longer.

Mr Norman (Mel) Ashton was appointed on 22 January 2018. Resolution 5 provides that he retires from office and seeks re-election as a Director.

Details of Mr Ashton's background and experience are set out in the Annual Report.

If Resolution 5 is passed, Mr Ashton will be able to continue to act as a Director.

If Resolution 5 is not passed, Mr Ashton will cease to act as a Director and, if any other Directors who are eligible for re-election at the Meeting are also not re-elected, the Company may have less than three Directors on the Board, in breach of the Corporations Act.

Resolution 5 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 5.

### 8.2 Board Recommendation

The Board (excluding Mr Ashton) supports the re-election of Mr Ashton to the Board and recommends that shareholders vote in favour of Resolution 5.

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## 9. Resolution 6 – Ratification of 7.1 Placement – and Resolution 7 – Ratification of 7.1A Placement

### 9.1 Background

On 21 September 2020, the Company completed a placement of 23,529,412 fully paid ordinary shares to institutional and sophisticated investors to raise \$2 million before costs (**Placement**). Of these, 13,591,956 fully paid ordinary shares were issued under the Company's placement capacity under Listing Rule 7.1 (**7.1 Placement**) and the remaining 9,937,456 fully paid ordinary shares were issued under the Company's placement capacity under Listing Rule 7.1A (**7.1A Placement**).

Resolutions 6 and 7 are ordinary resolutions.

The Chairman intends to exercise all available proxies in favour of Resolutions 6 and 7.

### 9.2 Listing Rule 7.4

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.

The 7.1 Placement does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue date.

Additionally, Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

The Company obtained the requisite shareholder approval under Listing Rule 7.1A at its 2019 annual general meeting.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

Additionally, Listing Rule 7.4 provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1A (and provided that the previous issue did not breach Listing Rule 7.1A) those securities will be deemed to have been

made with Shareholder approval for the purpose of Listing Rule 7.1A. The Company confirms that the issue of Shares under the 7.1A Placement did not breach Listing Rule 7.1A.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1 and Listing Rule 7.1A. To this end, Resolution 6 seeks Shareholder approval for the 7.1 Placement, and Resolution 7 seeks Shareholder approval for the 7.1A Placement, under and for the purposes of Listing Rule 7.4.

If Resolution 6 is passed, the 7.1 Placement will be excluded in calculating the Company's 15% limit in Listing Rule 7.1. If Resolution 7 is passed, the 7.1A Placement will be excluded in calculating the Company's 10% limit in Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 6 is not passed, the 7.1 Placement will be included in calculating the Company's 15% limit in Listing Rule 7.1. If Resolution 7 is not passed, the 7.1A Placement will be included in calculating the Company's 10% limit in Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

### **9.3 Specific information required by Listing Rule 7.5**

In accordance with Listing Rule 7.5, information is provided in relation to the Placement as follows:

- (a) The Shares were issued to sophisticated and professional investors.
- (b) 23,529,412 fully paid ordinary shares were issued, of which 13,591,956 fully paid ordinary shares were issued under the Company's placement capacity under Listing Rule 7.1 and the remaining 9,937,456 fully paid ordinary shares were issued under the Company's placement capacity under Listing Rule 7.1A.
- (a) The Shares are fully paid ordinary share and rank equally in all respects with the Company's existing Shares.
- (c) The Shares were issued on 21 September 2020.
- (b) The Shares were issued at a price of \$0.085 per Share.
- (c) The purpose of the issue was to raise \$2 million before costs to be applied to the new development pathway for RMP-1 printer, including R&D costs (prototyping, printer upgrades and printing consumables), patent costs, plant and equipment costs, working capital and costs of the offer.
- (d) The Shares were not issued under an agreement.
- (e) A voting exclusion statement is included in the Notice for Resolutions 6 and 7.

### **9.4 Board Recommendation**

The Board recommends that Shareholders vote in favour of Resolutions 6 and 7.

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## **10. Resolution 8 – Ratification of issue of Options to Director, Grant Mooney – and Resolution 9 – Ratification of issue of Options to Director, Ashley Zimpel**

### **10.1 Background**

On 25 March 2020, the Company issued 2,000,000 Options to each of Mr Grant Mooney and Mr Ashley Zimpel, Directors in connection with their appointments to the Board (**Director Placement**).

Resolutions 8 and 9 are each an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolutions 8 and 9.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 8 or 9, by signing and returning the Proxy Form, you are considered



to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## **10.2 Listing Rule 7.4**

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.

The Director Placement does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. To this end, Resolutions 8 and 9 seek Shareholder approval for the Director Placement under and for the purposes of Listing Rule 7.4.

If Resolutions 8 and/or 9 are passed, the Director Placement relating to those Resolutions passed will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolutions 8 and/or 9 are not passed, the Director Placement relating to those Resolutions not passed will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

## **10.3 Specific information required by Listing Rule 7.5**

In accordance with Listing Rule 7.5, information is provided in relation to the Director Placement as follows:

- (a) The options were issued to Directors, Mr Grant Mooney and Mr Ashley Zimpel.
- (b) 2,000,000 Options were issued to each of Mr Mooney and Mr Zimpel respectively.
- (c) The Options are exercisable at \$0.14 each on or before 25 March 2023 and the terms and conditions of the Options are detailed in Schedule 2.
- (d) Each Option is subject to vesting conditions as follows:
  - (i) 500,000 Options will vest for each of Mr Mooney and Mr Zimpel if they continue in office as Directors for at least for at least 6 months from the date of grant;
  - (ii) 500,000 Options will vest for each of Mr Mooney and Mr Zimpel if they continue in office as Directors for at least for at least 12 months from the date of grant; and
  - (iii) 1,000,000 Options will vest for each of Mr Mooney and Mr Zimpel if they continue in office as Directors for at least for at least 24 months from the date of grant.
- (e) The options were issued on 25 March 2020.
- (f) The options were issued for nil consideration.
- (g) The options were issued as part of each of Mr Mooney's and Mr Zimpel's respective appointments as Directors of the Company.

- (h) The options are issued pursuant to each of Mr Mooney's and Mr Zimpel's appointment agreements with the Company. The material terms of Mr Mooney's and Mr Zimpel's appointment agreements with the Company are as follows:
- (i) Mr Mooney and Mr Zimpel are each entitled to a fee of \$50,000 per annum, plus superannuation.
  - (ii) Mr Mooney's and Mr Zimpel's appointments as Directors shall terminate if and when either of them:
    - (A) ceases to be a Director under any provision of the Corporations Act;
    - (B) becomes bankrupt or makes any arrangement or composition with creditors generally;
    - (C) becomes prohibited from being a director for reason under, or under an order made pursuant to, the Company's Constitution, the Corporations Act or the ASX Listing Rules;
    - (D) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
    - (E) resigns;
    - (F) is removed from office by resolution of the Company's shareholders;
    - (G) is not re-elected to office; or
    - (H) upon any other circumstances as specified in the Company's Constitution.
  - (iii) The Company will pay or reimburse Mr Mooney and Mr Zimpel for reasonable travel and out of pocket expenses incurred in the performance of their duties as Directors.
- (i) A voting exclusion statement is included in the Notice for Resolutions 8 and 9.

#### **10.4 Board Recommendation**

The Board (excluding Mr Mooney and Mr Zimpel in respect of the relevant resolution that concerns the ratification of the issue of options to that Director) recommends that Shareholders vote in favour of Resolutions 8 and 9.

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## **11. Resolution 10 – Approval of Issue of Options to Norman (Mel) Ashton under the Employee Incentive Plan**

### **11.1 General**

The Company has agreed, subject to obtaining Shareholder approval, to grant a total of 2,000,000 Options exercisable at \$0.14 with an expiry date 3 years from the date of their issue to Director Mr Norman (Mel) Ashton, pursuant to the Company's Employee Incentive Plan (**Plan**) (**Options**).

In accordance with Listing Rule 10.14, Shareholder approval is required for the issue of Equity Securities to a Director or any associate of a Director under an employee incentive scheme.

Resolution 10 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 10.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 10, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though Resolution 10 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## 11.2 Chapter 2E of the Corporations Act

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Options to Mr Ashton as the exception in section 211 of the Corporations Act applies. The Options are considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act.

## 11.3 Listing Rule 10.14

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

- (b) a director of the entity;
- (c) an associate of a director of the entity; or
- (d) a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The proposed issue of Options requires approval by shareholders under Listing Rule 10.14 as Mr Ashton is a Director of the Company.

If Resolution 10 is passed, the Company will be able to proceed with the proposed issue of the Options to Mr Ashton providing him with incentives linked to the performance of the Company.

If Resolution 10 is not passed, the Company will not be able to proceed with the proposed issue of the Options and may need to consider other methods (such as cash payments) to remunerate and incentivise Mr Ashton.

Pursuant to Listing Rule 7.2 exception 14, as Shareholder approval is being sought under Listing Rule 10.14, Shareholder approval under Listing Rule 7.1 is not required.

## 11.4 Specific information required by Listing Rule 10.15

In accordance with the requirements of Listing Rule 10.15, the following information is provided:

- (a) Mr Ashton (and/or his nominee) is the proposed recipient of the Options.
- (b) Mr Ashton is a Director of the Company and therefore falls under Listing Rule 10.14.1.
- (c) The maximum number of Options to be issued to Mr Ashton is 2,000,000.
- (d) The current total remuneration package from the Company to Mr Ashton is \$50,000 plus statutory superannuation.
- (e) Mr Ashton has previously received 350,000 options and 50,000 performance rights under the Plan. No consideration was paid for these options and performance rights.
- (f) The Options are exercisable at \$0.14 each on or before 3 years from the date of their issue and the terms and conditions of the Options are detailed in Schedule 2.
- (g) Each Option will be subject to vesting conditions as follows:
  - (i) 500,000 Options will vest if Mr Ashton continues in office as a Director for at least for at least 6 months from the date of grant;
  - (ii) 500,000 Options will vest if Mr Ashton continues in office as a Director for at least for at least 12 months from the date of grant; and
  - (iii) 1,000,000 Options will vest if Mr Ashton continues in office as a Director for at least for at least 24 months from the date of grant.
- (h) The offer of Options to Mr Ashton forms part of the Company's Plan to encourage Mr Ashton to achieve the Company's objectives and to provide an incentive to perform his duties to that end. The issue of options is preferred, rather than the issue of other securities such as shares as it is less dilutive to shareholders, provides a

form of incentive to the recipient and provides certain tax advantages to the recipient.

- (i) The Options will be issued as soon as practicable after the Meeting, and in any event, no later than 3 years after the date of the Meeting.
- (j) The Options will be granted for nil cash consideration.
- (k) A summary of the material terms of the Plan is set out in Schedule 3.
- (l) No loan is being offered in relation to the issue of the Options.
- (m) Details of any Equity Securities issued under the Plan will be published in the Company's annual report along with a statement that approval for the issue was obtained under Listing Rule 10.14 and any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Equity Securities under the Plan after the resolution is approved at the Meeting and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.
- (n) A voting exclusion statement is included in the Notice.

## 11.5 Valuation of Options

The Company has valued the Options to be issued by reference to the Black Scholes valuation model.

The following assumptions have been made regarding the inputs required for the model:

	Input	Note
Number of Options	2,000,000	
Underlying share spot price	8 cents	1
Exercise Price	14 cents	2
Dividend rate	Nil	3
Risk free rate	0.83%	4
Volatility	100%	5
Life of the Options	36 months	6
Valuation	4 cents	

Note 1: The underlying share spot price used for the purpose of the valuation is based on the closing Share price of 8 cents on 16 October 2020.

Note 2: The exercise price is 14 cents.

Note 3: No dividends are expected to be paid during the life of the Options.

Note 4: The risk free rate is based on the Commonwealth Government 10 year Treasury bond yield of 0.83% at 25 September 2020.

Note 5: The volatility was calculated from the Company's historical trading volatility over the last 12 months and is 100%.

Note 6: The life of the Options has been assumed to be 36 months expiring on 20 November 2023, the final date for exercise of the Options.

Note 7: The total parcel of options proposed to be issued to Mr Ashton has a value of \$80,000.

## 11.6 Board Recommendation

The Board (excluding Mr Ashton) recommends that Shareholders vote in favour of Resolution 10.

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## 12. Resolution 11 – Approval of 10% Placement facility

### 12.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is seeking Shareholder approval to issue Equity Securities under the 10% Placement Facility. The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 12.2(c)).

If Resolution 11 is passed, the Company will be able to issue Equity Securities under Listing Rule 7.1A up to 10% of its issued share capital over a 12 month period after the annual general meeting, in addition to the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 11 is not passed, the Company will not be able to access the 10% Placement Facility to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval under Listing Rule 7.1.

Resolution 11 is a special resolution and therefore requires approval of 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).

The Chairman intends to exercise all available proxies in favour of Resolution 11.

### 12.2 Listing Rule 7.1A

#### (a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

#### (b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the company.

The Company, as at the date of the Notice, has on issue one quoted class of Shares.

#### (c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

**(A x D) – E**

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of Shares issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;

- (ii) plus the number of Shares issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
  - (A) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
  - (B) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;
- (iii) plus the number of Shares issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
  - (A) the agreement was entered into before the commencement of the relevant period; or
  - (B) the agreement was approved, or taken under these rules to have been approved, under Listing Rule 7.1 or 7.4
- (iv) plus the number of any other Shares issued in the relevant period with approval under Listing Rule 7.1 or 7.4;
- (v) plus the number of partly paid ordinary shares that became fully paid in the relevant period;
- (vi) less the number of Shares cancelled in the relevant period.

*Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

(d) **Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of the Notice, the Company has on issue 152,896,472 Shares and therefore has a capacity to issue:

- (i) 22,934,471 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being sought under Resolution 11, 15,289,647 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to paragraph (c) above).

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class as an existing quoted class of the Company's Equity Securities 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; or
  - (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained;
- (ii) the date of the entity's next annual general meeting; or
- (iii) the date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

(the **10% Placement Period**).

### **12.3 Effect of Resolution**

The effect of Resolution 11 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

### **12.4 Specific information required by Listing Rule 7.3A**

In accordance with Listing Rule 7.3A, information is provided as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities 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; or
  - (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 11 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Listed Options, only if the Listed Options are exercised). There is a risk that:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date of the Equity Securities,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

- (c) The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of the Notice.
- (d) The table also shows:

- (i) two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.0425 50% decrease in Issue Price	\$0.085 Issue Price	\$0.17 100% increase in Issue Price
<b>Current Variable A 152,896,472 Shares</b>	<b>10% Voting Dilution</b>	15,289,647 Shares	15,289,647 Shares	15,289,647 Shares
	<b>Funds raised</b>	\$649,810	\$1,299,620	\$2,599,240
<b>50% increase in current Variable A 229,344,708 Shares</b>	<b>10% Voting Dilution</b>	22,934,470 Shares	22,934,470 Shares	22,934,470 Shares
	<b>Funds raised</b>	\$974,715	\$1,462,072	\$2,193,109
<b>100% increase in current Variable A 305,792,944 Shares</b>	<b>10% Voting Dilution</b>	30,579,294 Shares	30,579,294 Shares	30,579,294 Shares
	<b>Funds raised</b>	\$1,299,620	2,599,240	5,198,480

**The table has been prepared on the following assumptions:**

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.
- (iii) 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%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.



- (vii) The issue price is \$0.085, being the closing price of the Shares on ASX on 6 October 2020.
- (e) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 11 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (f) The Company may seek to issue the Equity Securities for cash consideration. In such circumstances, the Company intends to use the funds raised towards advancing the technology development of the RMP-1 Printer and associated technology developments associated with its 3D metal printing technology, an acquisition of new assets or investments (including expense associated with such acquisition) and/or general working capital.
- (g) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.3 upon issue of any Equity Securities.
- (h) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the subscribers of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
  - (ii) the effect of the issue of the Equity Securities on the control of the Company;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from corporate, financial and broking advisers (if applicable).
- (i) The subscribers under the 10% Placement Facility have not been determined as at the date of the Notice but may include sophisticated or professional investors, existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.
- (j) In the 12 months preceding the date of the Meeting the Company issued a total of 20,339,426 Equity Securities under Listing Rule 7.1A.2 which represent 19% of the total number of Equity Securities on issue at 19 November 2019. Details of each issue of Equity Securities by the Company during the 12 months preceding the date of the Meeting under Listing Rule 7.1A.2 are set out below:

<b>Date of Issue</b>	<b>Issued to or basis of issue</b>	<b>Equity Securities issued</b>	<b>Issue price per Equity Security</b>	<b>Discount of issue price to closing market price on the date of issue</b>	<b>Total cash consideration, amount of cash spent and use of funds, and intended use of funds for remaining cash</b>
13 February 2020*	Barthen Beheer BV (reg number Netherlands KvK: 28069613)	10,401,970 ordinary shares	\$0.14	12.5%	\$1,456,275.80 raised, of which all has been spent  Funds spent have been used to advance the RMP-1 Printer technology and

Date of Issue	Issued to or basis of issue	Equity Securities issued	Issue price per Equity Security	Discount of issue price to closing market price on the date of issue	Total cash consideration, amount of cash spent and use of funds, and intended use of funds for remaining cash
					general administration.
21 September 2020	Sophisticated and professional investors	9,937,456	\$0.085	9.5%	\$844,683.76, of which nil has been spent  Funds are intended to be used to advance the RMP-1 Printer technology, share offer expenses and general administration.

\* This issue was ratified by Shareholders at the Company's extraordinary general meeting held in April 2020.

- (k) A voting exclusion statement is included in the Notice for Resolution 11.
- (l) At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

## 12.5 Board Recommendation

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

## 13. Resolution 12 – Approval of issue of Options to Blue Ocean Equities

### 13.1 General

Resolution 12 seeks Shareholder approval for the issue of up to 2,000,000 Options to Blue Ocean Equities Pty Limited (**Blue Ocean Equities**) (or its nominee) (**Blue Ocean Options**).

As noted above, the Company recently completed the Placement. Blue Ocean Equities acted as Lead Manager on the Placement and the Company proposes to issue Blue Ocean Equities (or its nominee) the Blue Ocean Options as consideration for those Lead Manager services provided.

Neither Blue Ocean Equities nor any of its nominees will be a related party or an associate of a related party of the Company.

Resolution 12 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 12.

### 13.2 Listing Rule 7.1

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 shares it had on issue at the start of that period.

The issue of the Blue Ocean Options does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

Resolution 12 seeks the required Shareholder approval to issue the Blue Ocean Options under and for the purposes of Listing Rule 7.1.

If Resolution 12 is passed, the Company will be able to proceed with the issue of the Blue Ocean Options. In addition, the issue of the Blue Ocean Options 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.

If Resolution 12 is not passed, the Company will not be able to proceed with the issue of the Blue Ocean Options and may need to consider other methods (such as cash payments) to remunerate Blue Ocean Equities for the Lead Manager services provided by it.

### **13.3 Specific information required by Listing Rule 7.3**

In accordance with Listing Rule 7.3, information is provided in relation to the Placement as follows:

- (a) The Blue Ocean Options will be issued to Blue Ocean Equities (or its nominee).
- (b) The maximum number of Blue Ocean Options to be issued is 2,000,000.
- (c) The terms of the Blue Ocean Options are set out in Schedule 4.
- (d) The Company proposes to issue the Blue Ocean Options immediately after the Meeting. In any event, the issue will occur no later than 3 months after the date of the Meeting.
- (e) The Blue Ocean Options have a nil issue price and an exercise price of \$0.14 per Option.
- (f) The purpose of the Blue Ocean Placement is to remunerate Blue Ocean Equities for the lead manager services provided by it to the Company in connection with the Placement.
- (g) In addition to the options being issued to Blue Ocean Equities under the mandate letter with the Company to act as Lead Manager, Blue Ocean also received a Lead Manager fee of \$15,000 plus GST and a management fee of 2% of funds raised under the Placement and a placement fee of 4% of funds raised directly by Blue Ocean Equities under the Placement.
- (h) The Blue Ocean Options are not being issued under, or to fund, a reverse takeover.
- (i) A voting exclusion statement is included in the Notice for Resolution 12.

### **13.4 Board Recommendation**

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

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## **14. Resolution 13 – Approval of issue of Options to Max Capital**

### **14.1 General**

Resolution 13 seeks Shareholder approval for the issue of up to 500,000 Options to Max Capital Pty Ltd (**Max Capital**) (or its nominee) (**Max Capital Options**).

As noted above, the Company recently completed the Placement. Max Capital provided the Company with corporate advisory and strategic services in connection with the Placement and the Company proposes to issue Max Capital (or its nominee) the Max Capital Options as consideration for those services provided.

Neither Max Capital nor any of its nominees will be a related party or an associate of a related party of the Company.

Resolution 13 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 13.

#### **14.2 Listing Rule 7.1**

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 shares it had on issue at the start of that period.

The issue of the Max Capital Options does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

Resolution 13 seeks the required Shareholder approval to issue the Max Capital Options under and for the purposes of Listing Rule 7.1.

If Resolution 13 is passed, the Company will be able to proceed with the issue of the Max Capital Options. In addition, the issue of the Max Capital Options 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.

If Resolution 13 is not passed, the Company will not be able to proceed with the issue of the Max Capital Options and may need to consider other methods (such as cash payments) to remunerate Max Capital for the services provided by it in connection with the Placement.

#### **14.3 Specific information required by Listing Rule 7.3**

In accordance with Listing Rule 7.3, information is provided in relation to the Placement as follows:

- (a) The Max Capital Options will be issued to Max Capital (or its nominee).
- (b) The maximum number of Max Capital Options to be issued is 500,000.
- (c) The terms of the Max Capital Options are set out in Schedule 4.
- (d) The Company proposes to issue the Max Capital Options immediately after the Meeting. In any event, the issue will occur no later than 3 months after the date of the Meeting.
- (e) The Max Capital Options have a nil issue price and an exercise price of \$0.14 per Option.
- (f) The purpose of the Max Capital Placement is to remunerate Max Capital for the services provided by it to the Company in connection with the Placement.
- (g) The Max Capital Options are being issued pursuant to a mandate letter which sets out the role of Max Capital in relation to the Placement and the fee Max Capital shall receive for provision of such services.
- (h) In addition to the Max Capital Options, Max Capital received a corporate advisory fee of \$15,000 plus GST for provision of services in relation to the Placement.
- (i) The Max Capital Options are not being issued under, or to fund, a reverse takeover.
- (j) A voting exclusion statement is included in the Notice for Resolution 13.

#### **14.4 Board Recommendation**

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

## 15. Resolution 14 – Increase in Directors' fees

### 15.1 General

In accordance with Listing Rule 10.17 and article 12.5 of the Constitution, the Company must not increase the total amount of non-executive Directors' fees payable by it and any of its child entities without the approval of holders of its ordinary securities.

Resolution 14 seeks Shareholder approval for the increase the aggregate amount of fees available to be paid to non-executive Directors by \$100,000 from the current \$250,000 per annum to an aggregate amount of \$350,000 per annum.

The Board considers that it is reasonable and appropriate at this time to seek an increase in the remuneration pool for non-executive Directors for the following reasons:

- (a) due to the expected growth of the Company and increased responsibilities for non-executive Directors;
- (b) non-executive Directors fees may in the future need to be increased to retain Directors;
- (c) to attract new Directors of a calibre required to effectively guide and monitor the business of the Company; and
- (d) to remunerate Directors appropriately for the expectations placed upon them by both the Company and the regulatory environment in which it operates.

The maximum aggregate fees payable to Directors has not been increased since the Company was admitted to the official list of ASX in 2016.

This proposed level of permitted fees does not mean that the Company must pay the entire amount approved as fees in each year. However, the Board considers that it is reasonable and appropriate to establish this amount as this will provide the Company with the flexibility to attract appropriately qualified non-executive Directors and to act quickly if the circumstances require it.

The remuneration of each Director for the year ended 30 June 2020 is detailed in the Annual Report.

The Chairman intends to exercise all available proxies in favour of Resolution 14.

### 15.2 Specific information required by Listing Rule 10.17

Information must be provided to Shareholders for the purposes of obtaining Shareholder approval as follows:

- (a) Shareholder approval is being sought to increase the fee pool by \$100,000, which would increase the annual remuneration pool from \$250,000 to \$350,000.
- (b) Subject to Shareholders approving Resolution 14, the maximum aggregate amount of Directors' fees that may be paid to all of the Company's non-executive Directors will be \$350,000 per annum.
- (c) Upon appointment as Directors, Ashley Zimpel and Grant Mooney received 2,000,000 options each (the subject of resolutions 8 & 9).
- (d) In the last 3 years, the following securities have been issued to non-executive Directors under Listing Rule 10.11 or 10.14 (with Shareholder approval):

Name	Number	Type security	of	Date of issue
Terry Stinson	2,000,000	Options		30 April 2020

Name	Number	Type security of	Date of issue
Norman (Mel) Ashton	150,000	Shares	13 December 2019
	50,000	Performance Rights	30 November 2018
	50,000	Shares	17 April 2018
	250,000	Options	17 April 2018
	100,000	Options	17 April 2018
Paul Kristensen (former non-executive Director)	160,000	Shares	13 December 2019
	50,000	Performance Rights	30 November 2018
	100,000	Options	17 April 2018
Mathew Whyte (former Non-Executive Director)	50,000	Performance Rights	30 November 2018
	15,000	Options	29 November 2017
	100,000	Options	29 November 2017
David Budge	50,000	Performance Rights	30 November 2018
	15,000	Options	29 November 2017
Nathan Henry	50,000	Performance Rights	30 November 2018
	15,000	Options	29 November 2017

(e) A voting exclusion statement is included in the Notice for Resolution 14.

### 15.3 Board Recommendation

As the Directors are excluded from voting on this Resolution, the Board declines to make a recommendation to Shareholders on this Resolution.

## 16. Resolution 15 – Spill resolution

In accordance with section 250V of the Corporations Act, if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, the Company must put to vote at the second annual general meeting a resolution (**Spill Resolution**) on whether all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report received a first Strike at the 2019 annual general meeting. If Resolution 1 receives a 'no' vote of 25% or more at the Meeting, this will constitute a second Strike and Resolution 15 will be voted on.

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene another general meeting within 90 days of the Meeting (**Spill Meeting**). All of the Company's Directors who were in office when the resolution to make the directors' report considered at the later annual general meeting was received other than the managing director of the Company (**Spilled Directors**) will cease to hold office immediately before the end of the Spill Meeting, but may stand for reappointment. Shareholders will vote on the reappointment of Spilled Directors and/or election of new Directors at the Spill Meeting.

In accordance with section 250X of the Corporations Act, if there would be fewer than 3 Directors after the Spill Meeting, such number of directors equal to the difference between three and the number of Directors holding office immediately after the Spill Meeting apart from Spilled Directors will be filled by Directors or Spilled Directors who have the highest percentage of votes favouring appointment.

The Board recommends that Shareholders vote "Against" this Resolution 15.

Resolution 15 is an ordinary resolution.

The Chairman intends to exercise all available proxies against Resolution 15.

A voting exclusion statement is included in the Notice for Resolution 15.

## Schedule 1 - Definitions

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In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

**\$** means Australian Dollars.

**7.1 Placement** has the meaning given in Section 9.1.

**7.1A Placement** has the meaning given in Section 9.1.

**10% Placement Facility** has the meaning given in Section 9.2.

**10% Placement Period** has the meaning given in Section 12.2(f).

**Annual Report means** the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2020.

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

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

**Auditor's Report** means the auditor's report on the Financial Report.

**AWST** means Australian Western Standard Time, being the time in Perth, Western Australia.

**Blue Ocean Equities** has the meaning given in Section 13.1.

**Blue Ocean Options** has the meaning given in Section 13.1.

**Board** means the board of Directors.

**Chairman** means the person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice.

**Closely Related Party** means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Company** means Aurora Labs Limited (ACN 601 164 505).

**Constitution** means the constitution of the Company as at the commencement of the Meeting.

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

**Director** means a director of the Company.

**Director Placement** has the meaning given in Section 10.1.

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

**Equity Security** has the same meaning as in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum which forms part of the Notice.

**Financial Report** means the annual financial report prepared under chapter 2M of the Corporations Act of the Company and its controlled entities.

**Options** has the meaning given in Section 11.1.

**Key Management Personnel** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

**Listed Option** means an Option listed on ASX.

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

**Managing Director** means the managing director of the Company.

**Max Capital** has the meaning given in Section 14.1.

**Max Capital Options** has the meaning given in Section 14.1.

**Meeting** has the meaning in the introductory paragraph of the Notice.



**Notice** means the notice of meeting which comprises of the notice, agenda, Explanatory Memorandum and Proxy Form.

**Office** means office as a Director.

**Option** means an option which entitles the holder to subscribe for 1 Share.

**Placement** has the meaning given in Section 9.1.

**Proxy Form** means the proxy form attached to the Notice.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolution** means a resolution contained in the Notice.

**Schedule** means a schedule to this Explanatory Memorandum.

**Section** means a section of this Explanatory Memorandum.

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

**Shareholder** means a shareholder of the Company.

**Spill Meeting** has the meaning given in Resolution 15.

**Spill Resolution** has the meaning given in Section 16.

**Spilled Directors** has the meaning given in Section 16.

**Strike** has the meaning given in Section 16.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**VWAP** means volume weighted average price.

## **Schedule 2 – Summary of Terms and Conditions of Options**

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### **1. Entitlement**

Each Director Option entitles the holder of that Director Option (**Option Holder**) to subscribe for 1 fully paid ordinary share in the Company (**Share**) at an exercise price of \$0.14 (14 cents) per share.

### **2. Term of Director Options**

2.1 The expiry date of the Director Options will be 5.00pm (WST) on 25 March 2023.

2.2 Each Director Option may be exercised at any time before the End Date.

### **3. Conditions**

3.1 The Director Options are subject to the following “Vesting Conditions” under the Plan Rules:

- (a) in relation to 500,000 Director Options – the “Participant” (as defined in the Plan Rules) to whom the Director Options are offered, whether the Option Holder or not, continues in office as a director of the Company for at least for at least 6 months from the date of grant;
- (b) in relation to 500,000 Director Options – the Participant to whom the Director Options are offered, whether the Option Holder or not, continues in office as a director of the Company for at least for at least 12 months from the date of grant; and
- (c) in relation to 1,000,000 Director Options – the Participant to whom the Director Options are offered, whether the Option Holder or not, continues in office as a director of the Company for at least for at least 24 months from the date of grant.

3.2 To the extent permitted by the ASX Listing Rules, the Company’s Board of Director (**Board**) may waive or extend the period of time within which the Vesting Conditions may be satisfied, at the Board’s absolute discretion.

### **4. Expiry and Cancellation**

Subject to item 3.2:

- (a) all unvested Director Options will automatically expire and be cancelled on the End Date; and
- (b) all vested Director Options which have not been exercised by the relevant End Date will automatically expire and be cancelled.

### **5. Certificate or Holding Statement**

The Company must give the Option Holder a certificate or holding statement stating:

- (a) the number of Director Options issued to the Option Holder;
- (b) the Exercise Price of the Director Options; and
- (c) the date of issue of the Director Options.

### **6. Transfer**

6.1 The Director Options are:

- (a) not transferable prior to vesting, other than as permitted under the Plan Rules or with the consent of the Board (at its absolute discretion); and
- (b) transferable after vesting, subject to any restrictions on transfer under the *Corporations Act 2001* (Cth) (**Corporations Act**) or the ASX Listing Rules, as applicable.

6.2 The Option Holder may transfer some or all of the Director Options to the extent permitted by item 6.1(b) at any time before the relevant End Date by:

- (a) a proper transfer in accordance with the ASX Settlement Operating Rules, or any other method permitted by the Corporations Act; or
- (b) a prescribed instrument of transfer.

- 6.3 An instrument of transfer of a Director Option must be:
- (a) in writing;
  - (b) in any usual form or in any other form approved by the Board that is otherwise permitted by law;
  - (c) subject to the Corporations Act, executed by or on behalf of the transferor, and if required by the Company, the transferee; and
  - (d) delivered to the Company, at the place where the Company's register of Option Holders is kept, together with the certificate (if any) of the Director Option to be transferred and any other evidence as the Directors require to prove the title of the transferor to that Director Option, the right of the transferor to transfer that Director Option and the proper execution of the instrument of transfer.

## **7. Quotation**

- 7.1 The Company will not apply to ASX for official quotation of the Director Options. The Director Options will be a class of unquoted securities.
- 7.2 The Company will apply to ASX for official quotation of the Shares issued on exercise of Director Options in accordance with the ASX Listing Rules.

## **8. Rights of Participation**

### **8.1 New issues**

- (a) A Director Option does not confer on the Option Holder any participation or entitlement right inherent in holding Shares or other securities in the Company.
- (b) An Option Holder will not be entitled to participate in any new issue of Shares or other securities in the Company to the Company's shareholders unless and to the extent that the Option Holder has exercised their Director Options and been issued new Shares before the record date for determining entitlements to the new issue of Shares or securities and participate as a result of holding Shares.
- (c) The Company must give the Option Holder notice of any proposed new issue of Shares or other securities in the Company to the Company's shareholders, in accordance with the ASX Listing Rules.

### **8.2 Bonus or pro rata issues**

If the Company makes a bonus issue or pro rata issue of Shares or other securities to shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) after the grant of the Director Options, but before the expiry of those Director Options or the issue of a Share on exercise of the same, then the number of underlying Shares over which the Director Option is exercisable or the Exercise Price will be adjusted in accordance with the ASX Listing Rules.

## **9. Reorganisations**

If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company (**Reorganisation**), then:

- (a) the rights of the Option Holder (including the number of Director Options to which the Option Holder is entitled and the Exercise Price) will be adjusted in accordance with the ASX Listing Rules applicable at the date of the Reorganisation;
- (b) any calculations or adjustments which are required to be made will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option Holder; and
- (c) the Company must, within a reasonable period, give to the Option Holder notice of any change to the Exercise Price of any Director Options held by the Option Holder, the number of Shares which the Option Holder is entitled to subscribe for on exercise of a Director Option, or other changes to the Director Options as required by the ASX Listing Rules.

## 10. **Exercise**

- 10.1 To exercise vested Director Options, the Option Holder must give the Company or its securities registry, at the same time:
- (a) a written exercise notice (in the form approved by the board of the Company from time to time) specifying the number of Director Options being exercised and Shares to be issued;
  - (b) either:
    - (i) payment of the Exercise Price for the Director Options the subject of the exercise notice, by way of cheque or by other means of payment approved by the Company; or
    - (ii) a written request to use the Cashless Exercise Mechanism under item 11 in respect of all or part of the Director Options; and
  - (c) any certificate for the Director Options.
- 10.2 The Option Holder may only exercise Director Options in multiples of 10,000 Director Options unless the Option Holder exercises all Director Options held by the Option Holder.
- 10.3 Director Options will be deemed to have been exercised on the date the exercise notice is lodged with the Company or its securities registry.

## 11. **Cashless Exercise Mechanism**

- 11.1 The Option Holder may elect to pay the Exercise Price in respect of any Director Options by way of cashless exercise mechanism which allows the Option Holder to set-off the aggregate Exercise Price against the number of Shares which the Option Holder is entitled to receive upon exercise of the Director Options (**Cashless Exercise Mechanism**).
- 11.2 If the Option Holder requests to use the Cashless Exercise Mechanism, the Option Holder will be issued that number of Shares calculated in accordance with the following formula:

$$A = \frac{B \times (C - D)}{C}$$

C

where:

**A** is the total number of new Shares to be issued to the Option Holder pursuant to the Director Options the subject of the relevant exercise notice;

**B** is the number of Director Options the subject of the relevant exercise notice;

**C** is the market value of a Share calculated by reference to the volume-weighted average price of Shares traded on ASX over the 10 trading days prior to exercise; and

**D** is the Exercise Price.

- 11.3 If the market value of Shares calculated under item 11.2 would be less than the Exercise Price, the Option Holder may not use the Cashless Exercise Mechanism.

## 12. **New Certificate or Holding Statement After Exercise**

If the Option Holder exercises less than the total number of Director Options registered in the Option Holder's name:

- (a) the Option Holder must surrender their certificate for the Director Options (if any); and
- (b) the Company must cancel the certificate (if any) and issue the Option Holder a new certificate or a holding statement stating the remaining number of Director Options held by the Option Holder.

## 13. **Issue of Shares**

- 13.1 Subject to items 11, 14.1, 14.2 and 14.3, the Company must issue the Option Holder the number of Shares specified in a valid application for exercise of Director Options by the later of:
- (a) 10 days after receiving an application for exercise of Director Options and payment by

the Option Holder of the Exercise Price; and

- (b) the last Business Day of the calendar month in which the application for exercise of Director Options and payment by the Option Holder of the Exercise Price is received by the Company.

13.2 Subject to the Company's Constitution, all Shares issued on the exercise of Director Options will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of the Company at the date of issue.

## 14. Legal and Regulatory Requirements

### 14.1 Approvals

The exercise of Director Options is subject to the Company first obtaining all required legal, regulatory and shareholder consents or approvals in relation to the same.

### 14.2 Takeovers

- (a) If the exercise of an Director Option (or any number of Director Options) would result in any person contravening section 606 of the Corporations Act (Takeover Restriction), then any purported exercise of those Director Options (or any part thereof) and related issue of Shares will be:
  - (i) subject to the requirements of section 611 of the Corporations Act; and
  - (ii) deferred until such later time or times as such exercise would not result in a contravention of the Takeover Restriction.
- (b) The Company is entitled to assume that the issue of Shares on the exercise of Director Options will not result in the Option Holder or any other person being in contravention of the Takeover Restriction, unless the Company has actual notice to the contrary.

### 14.3 Secondary trading restrictions

If the Director Options are not granted under a prospectus or other disclosure document in accordance with Chapter 6D of the Corporations Act:

- (a) subject to item 14.3(b), within 5 trading days of issuing Shares on exercise of Director Options, the Company must lodge with ASX a duly completed notice pursuant to section 708A(5) of the Corporations Act, meeting the requirements of section 708A(6) of the Corporations Act (**Cleansing Statement**);
- (b) if the Company is unable to issue a Cleansing Statement in relation to any Shares issued on exercise of Director Options for any reason:
  - (i) the Company must within 60 days of receiving a valid notice of exercise under item 10, lodge with the Australian Securities & Investments Commission (**ASIC**) a prospectus prepared in accordance with Chapter 6D of the Corporations Act offering Shares (**Cleansing Prospectus**);
  - (ii) as an alternative to lodging a Cleansing Prospectus under item 14.3(b)(i), the Company may, in its discretion, apply to ASIC for relief under section 741 of the Corporations Act to permit the Company to issue a Cleansing Statement (**Relief Application**) notwithstanding that it may not satisfy the requirements set out in section 708A(5) or (6) of the Corporations Act; and
  - (iii) the Company is not required to issue the Shares on exercise of the relevant Director Options until the Cleansing Prospectus is lodged with ASIC or the Relief Application is granted by ASIC.

## **Schedule 3 – Summary of Terms and Conditions of Employee Incentive Plan**

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The Company has established an employee incentive plan (**Plan**) which is governed by the Employee Incentive Plan Rules (**Rules**).

The material terms of the Plan are summarised as follows:

- 1. Purpose:** The purpose of the Plan is:
  - (a) to establish a method by which eligible persons can participate in the future growth and profitability of the Company;
  - (b) to provide an incentive and reward for eligible persons for their contribution to the Company; and
  - (c) to attract and retain a high standard of managerial and technical personnel for the benefit of the Company.
  
- 2. Participation:** The following persons can participate in the Plan if the Board makes them an offer to do so:
  - (a) a full-time or part-time employee, including an executive and non-executive Director of the Company or its Related Bodies Corporate;
  - (b) a contractor of the Company or its Related Bodies Corporate;
  - (c) a casual employee of the Company or its Related Bodies Corporate where the employee or contractor is, or might reasonably be expected to be, engaged to work the pro-rata equivalent of 40% or more of a comparable full-time position; and
  - (d) a person to whom an offer of Awards has been made, but whose acceptance of the offer is conditional upon the person becoming one of the above.
  
- 3. Grant of Awards:** Pursuant to the Employee Incentive Plan, the Board may grant any of the following incentives (**Awards**), in accordance with the Rules and otherwise on terms and conditions set by the Board at its discretion:
  - (a) Options to subscribe for Shares; and
  - (b) Performance Rights entitling the holder to be issued Shares.
  
- 4. Vesting, performance and exercise conditions:** Options and Performance Rights may be subject to the following conditions:
  - (a) **Vesting Conditions** – which are time-based criteria, requirements or conditions (as specified in the offer and determined by the Board) which must be met prior to Awards vesting in a participant, which the Board may throughout the course of the period between the grant of an Award and its vesting, waive or accelerate as the Board considers reasonably appropriate;
  - (b) **Performance Conditions** – which are conditions relating to the performance of the Company and its Related Bodies Corporate (and the manner in which those conditions will be tested) as specified in an offer and determined by the Board; and
  - (c) **Exercise Conditions** – which are criteria, requirements or conditions, as determined by the Board or under the Plan, which must be met (notwithstanding the satisfaction of any Vesting Conditions and/or Performance Conditions) prior to a Participant being entitled to exercise vested Options.
  
- 5. 5% limit:** In accordance with ASIC Class Order 14/1000, the total Awards that may be issued under the Plan will not exceed 5% of the total number of Shares on issue. In calculating this limit, Awards issued to participants under the Plan other than in reliance upon this Class Order are discounted.
  
- 6. Taxation matters:** Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies to the Plan except to the extent an offer provides otherwise.
  
- 7. Board discretions:** The Board has broad discretions under the Employee Incentive Plan, including (without limitation) as to:
  - (a) the timing of making an offer to participate in the Employee Incentive Plan;

- (b) identifying persons eligible to participate in the Employee Incentive Plan;
  - (c) the terms of issue of Options and Performance Rights (including vesting conditions, performance hurdles and exercise conditions if any); and
  - (d) the periods during which Awards may be exercised.
- 8. Awards not to be quoted:** The Awards will not be quoted on the ASX. However, application will be made to the ASX for official quotation of Shares issued on the exercise of Awards, if the Shares are listed on the ASX at that time.
- 9. Shares issued on exercise of Awards:**
- (a) Subject to any applicable vesting conditions, performance hurdles and exercise conditions:
    - (i) each Option entitles the holder to subscribe for and be issued with one Share; and
    - (ii) each Performance Right entitles the holder to subscribe for and be issued with one Share.
  - (b) Shares issued pursuant to the exercise of Awards will in all respects rank equally and carry the same rights and entitlements as other Shares on issue.
  - (c) Holders of Awards have no rights to vote at meetings of the Company or receive dividends until Shares are allotted on the exercise of Awards pursuant to the Employee Incentive Plan.
- 10. Lapse of Awards:**
- (a) Unless the Directors in their absolute discretion determine otherwise, Awards will automatically lapse and be forfeited if, prior to the satisfaction of an exercise condition or vesting condition:
    - (i) the holder resigns employment or terminates engagement with the Company;
    - (ii) the holder is dismissed from employment or engagement with the Company for:
      - A. material breach of contract or negligence;
      - B. conduct justifying termination without notice;
    - (iii) the holder ceases employment or engagement with the Company and breaches any post-termination restraint;
    - (iv) the holder is ineligible to hold his or her office pursuant to the Corporations Act; or
    - (v) any performance milestones applicable to the Awards are not satisfied – if a portion are satisfied, then a proportionate number of Awards may continue at the Board's discretion.
  - (b) Awards will not lapse and be forfeited if the holder ceases employment or engagement with the Company due to death or permanent disablement, retirement or redundancy, or where the Board determines that the Awards continue.
- 11. Restrictions on transfer:** An Award holder is not able to sell, transfer, mortgage, pledge, charge, grant security over or otherwise dispose of any Awards, or agree to do any of those things without the prior consent of the Board or unless such disposal is required by law.
- 12. Participation rights of Award holders:** Holders of Awards will only be permitted to participate in an issue of new Shares by the Company if they exercise their Options or Performance Rights (as applicable) before the record date for the relevant issue.
- 13. Adjustment of Awards:** In the event of a reorganisation (including a consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Awards to which each Award holder is entitled or the exercise price or both will be changed in the manner required by the Listing Rules and, in any case, in a manner which will not result in any benefits being conferred on holders of Awards which are not conferred on Shareholders.
- 14. Takeovers:** In the event of a takeover bid, certain capital reorganisations or transactions occurring that give rise to certain changes of control of the Company, restrictions on the exercise of an Award may lapse so that Award holders are able to participate in the relevant transaction.

15. **Amending the Employee Incentive Plan:** Subject to and in accordance with the Listing Rules, the Board (without the necessity of obtaining prior or subsequent consent of Shareholders) may from time to time amend all or any provisions of the Employee Incentive Plan.



## **Schedule 4 – Summary of Terms and Conditions of Max Capital and Blue Ocean Options**

The terms of the Options to be issued to Max Capital and Blue Ocean Equities (**Options**) are as follows:

1. (**Entitlement**): Each Option entitles the holder (**Holder**) to subscribe for one fully paid ordinary share (**Share**) in the issued capital of the Company upon exercise of the Option.
2. (**Issue Price**): No cash consideration is payable for the issue of the Options to Blue Ocean Equities while \$0.00001 per Option is payable by Max Capital.
3. (**Exercise Price**): The Options have an exercise price of \$0.14 each (**Exercise Price**).
4. (**Expiry Date**): The Options expire at 5:00pm (WST) on the date that is two years after their issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
5. (**Exercise Period**): The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
6. (**Notice of Exercise**): The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate or as otherwise agreed with the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
7. (**Exercise Date**): A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
8. (**Timing of issue of Shares on exercise**): Within 5 business days after the Exercise Date, the Company will:
  - (a) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
  - (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
  - (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If the Company is unable to deliver a notice under paragraph 8(b) or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company will lodge with ASIC a "cleansing prospectus" prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors. Where a "cleansing prospectus" is required, any Shares issued on exercise of Options will be subject to a holding lock until such time as a prospectus is issued

by the Company. The Company must issue the prospectus by no later than 30 days after the date of issue of the Shares, or such later date as is agreed with the Holder.

9. **(Shares issued on exercise):** Shares issued on exercise of the Options rank equally with the then Shares of the Company.
10. **(Quotation of the Options):** The Company will not apply for quotation of the Options on ASX, unless the Board resolves otherwise in its sole discretion.
11. **(Transferability of the Options):** The Options are transferable with the prior written approval of the Company.
12. **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
13. **(Adjustment for bonus issues):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):
  - (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the holder would have received if the holder of the Options had exercised the Option before the record date for the bonus issue; and
  - (b) no change will be made to the Exercise Price.
14. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
15. **(Change of Control):** Upon the occurrence of:
  - (a) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
    - (i) having received acceptances for greater than 50% of the Company's shares on issue; and
    - (ii) having been declared unconditional by the bidder;
  - (b) any person acquires a Relevant Interest (as defined in the Corporations Act) more than 50% of the Shares by any other means; or
  - (c) any merger transaction or scheme of arrangement is recommended by the Board and where such transaction would have the effect contemplated in paragraph (a) above,

**(Change of Control Event)** 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 Options will be dealt with, including, without limitation, in a manner that allows the holder of the Options to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.
16. **(Constitution):** Upon the issue of Shares on exercise of the Options, the Holder agrees to be bound by the Company's Constitution.