

**VHM LIMITED**

**ACN 601 004 102**

**NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the Annual General Meeting will be held at:

**TIME:** 12.30pm (WST); 2.30pm (AEST) and 3.30pm (AEDST)

**DATE:** 20 November 2023

**PLACE:** The meeting is a **hybrid meeting**  
Virtually: Online via a web-based meeting portal  
Physically: Elevate 1, The Westin  
111 Mary Street, Brisbane  
QLD, 4000

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

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

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5pm (WST) on 18 November 2023.***

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## IMPORTANT INFORMATION REGARDING MEETING ATTENDANCE AND VOTING

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### Voting in person

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

### Attending the Meeting virtually

The Meeting will be virtually accessible to all Shareholders, and will allow Shareholders, as a whole, a reasonable opportunity to participate without being physically present at the Meeting.

The technology used to hold the Meeting will be reasonable and, Shareholders entitled to attend and vote at the Meeting, will be able to:

- (a) view the Meeting live;
- (b) exercise a right, orally and in writing, to ask questions and make comments; and
- (c) cast votes in real time on a poll during the Meeting.

Shareholders who wish to attend the Meeting virtually must first register their attendance with the Company by no later than 12.30pm (WST) on 19 November 2023, the day prior to the Meeting, by email to the Company Secretary at [ian.hobson@vhmltd.com.au](mailto:ian.hobson@vhmltd.com.au) including the Shareholder's name, address and SRN. The Company will then email the Shareholder the details to participate in the virtual Meeting via zoom (a web-based meeting portal).

### Voting by poll

All votes taken at the Meeting will be conducted by way of a poll, taken both physically at the Meeting and electronically. Shareholders who wish to vote by poll during the virtual Meeting must first notify the Company of their intention by emailing the Company Secretary at [ian.hobson@vhmltd.com.au](mailto:ian.hobson@vhmltd.com.au), by no later than 12.30pm (WST) on 19 November 2023, the day prior to the Meeting. Shareholders will be able to submit their email poll votes immediately after the Chair calls for a vote on each Resolution and up to a period of one hour after the Meeting ends. This means that the outcome of each Resolution will not be able to be determined until after the conclusion of the Meeting to allow the company secretary sufficient time to count such poll votes submitted by email.

### Voting by Proxy

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. Lodgement of a 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

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(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, but where the proportion or number is not specified, each proxy may exercise half of the votes.

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

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

(a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);

(b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;

(c) if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and

(d) if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Section 250BC of the Corporations Act provides that, if:

(a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;

(b) the appointed proxy is not the chair of the meeting;

(c) at the meeting, a poll is duly demanded, or is otherwise required under section 250JA on the resolution; and

(d) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

### **Chair's voting intentions**

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

### **Submitting questions**

Shareholders are encouraged to submit any questions that they may wish to put to the Company during the Meeting (including questions to the Company's auditor) in writing by email to the Company Secretary at [ian.hobson@vhmltd.com.au](mailto:ian.hobson@vhmltd.com.au) by no later than 12.30pm (WST) on 19 November 2023, the day prior to the Meeting. Shareholders will also be able to ask questions during the Meeting using the web-based meeting portal, and Shareholders will be required to give their names when asking a question.

### **Enquiries**

Shareholders are requested to contact the Company Secretary on +61 8 9388 8290 if they have any queries in respect of the matters set out in this Notice of General Meeting or the Explanatory Statement.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. ANNUAL REPORT

To receive and consider the Annual Financial Report of the Company for the financial year ended 30 June 2023 together with the declaration of the Directors, the Director's Report, the Remuneration Report and the Auditor's Report.

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#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2023.”*

Note: Section 250R(3) of the Corporations Act provides that the vote on this resolution is advisory only and does not bind the Directors of the Company.

A voting prohibition statement applies to this Resolution. Please see below for details.

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#### 3. RESOLUTION 2 – ELECTION OF GRAHAM ROGER HOWARD AS DIRECTOR

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

*“That, for the purpose of Rule 20.4 of the Constitution and for all other purposes, Graham Roger Howard, a Director who was appointed casually on 1 October 2023, retires, and being eligible, is elected as a Director.”*

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#### 4. RESOLUTION 3 – ELECTION OF MR IAN SMITH AS A DIRECTOR

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

*“That, for the purpose of Rule 20.4 of the Constitution and for all other purposes, Ian Smith, a Director who was appointed casually on 18 August 2023, retires, and being eligible, is elected as a Director.”*

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#### 5. RESOLUTION 4 – ELECTION OF MR RON DOUGLAS AS A DIRECTOR

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

*“That, for the purpose of Rule 20.4 of the Constitution and for all other purposes, Ron Douglas, a Director who was appointed casually on 18 August 2023, retires, and being eligible, is elected as a Director.”*

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**6. RESOLUTION 5 – ELECTION OF MS MAREE ARNASON AS A DIRECTOR**

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

*“That, for the purpose of Rule 20.4 of the Constitution and for all other purposes, Maree Arnason, a Director who was appointed casually on 18 August 2023, retires, and being eligible, is elected as a Director.”*

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**7. RESOLUTION 6 – ISSUE OF REMUNERATION OPTIONS TO DIRECTOR DONALD RUNGE**

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

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue to Mr Donald Runge (or his nominee) 500,000 Remuneration Options exercisable at \$1.35 per share under the Plan on the terms and conditions set out in the Explanatory Statement.*

*A voting exclusion statement applies to this Resolution. Please see below for details.*

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**8. RESOLUTION 7 – ISSUE OF REMUNERATION OPTIONS TO DIRECTOR GRAHAM HOWARD**

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

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue to Mr Graham Howard (or his nominee) 500,000 Remuneration Options exercisable at \$1.35 per share under the Plan on the terms and conditions set out in the Explanatory Statement.*

*A voting exclusion statement applies to this Resolution. Please see below for details.*

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**9. RESOLUTION 8 – ISSUE OF REMUNERATION OPTIONS TO DIRECTOR IAN SMITH**

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

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue to Mr Ian Smith (or his nominee) 500,000 Remuneration Options exercisable at \$1.35 per share under the Plan on the terms and conditions set out in the Explanatory Statement.*

*A voting exclusion statement applies to this Resolution. Please see below for details.*

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**10. RESOLUTION 9 – ISSUE OF REMUNERATION OPTIONS TO DIRECTOR RON DOUGLAS**

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

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue to Mr Ron Douglas (or his nominee) 500,000 Remuneration Options exercisable at \$1.35 per share under the Plan on the terms and conditions set out in the Explanatory Statement.*

A voting exclusion statement applies to this Resolution. Please see below for details.

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**11. RESOLUTION 10 – ISSUE OF REMUNERATION OPTIONS TO DIRECTOR MAREE ARNASON**

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

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue to Ms Maree Arnason (or her nominee) 500,000 Remuneration Options exercisable at \$1.35 per share under the Plan on the terms and conditions set out in the Explanatory Statement.*

A voting exclusion statement applies to this Resolution. Please see below for details.

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**12. RESOLUTION 11 – INCREASE IN THE AGGREGATE ANNUAL REMUNERATION PAID TO NON-EXECUTIVE DIRECTOR FEE POOL**

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

*“That, for the purposes of Listing Rule 10.17 and Rule 26.2 of the Company's Constitution, the total aggregate annual remuneration payable to Non-Executive Directors of the Company be increased by \$200,000 per annum, from \$450,000 to a maximum of \$650,000 per annum.*

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below for details.

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**13. RESOLUTION 12: RATIFICATION OF PRIOR ISSUE OF TRANCHE 1 BROKER OPTIONS**

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

*“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the previous issue by the Company of 2,000,000 unlisted options to Zenix Nominees Pty Ltd on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below for details.

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**14. RESOLUTION 13: RATIFICATION OF THE AGREEMENT TO ISSUE THE TRANCHE 2  
BROKER OPTIONS**

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

*"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the agreement to issue 2,000,000 unlisted options to Zenix Nominees Pty Ltd on the terms and conditions set out in the Explanatory Statement."*

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below for details.

**By order of the Board**



**Mr Ian Hobson  
Company Secretary  
17 October 2023**

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## Voting Prohibition Statements

<b>Resolution 1 – Adoption of Remuneration report</b>	<p>In accordance with section 250R of the Corporations Act, a vote in favour of this Resolution must not be cast by (and will be taken not to have been cast if cast contrary to this restriction), 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. However, a vote may be cast by such person if:</p> <ul style="list-style-type: none"> <li>a) the person is acting as a proxy and the proxy form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or</li> <li>b) the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote on a resolution connected with the remuneration of a member of the Key Management Personnel.</li> </ul>
<b>Resolution 11 - Increase in the Aggregate Remuneration Paid to Non-Executive Director Fee Pool</b>	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> <li>a) the proxy is either: <ul style="list-style-type: none"> <li>(i) a member of the Key Management Personnel; or</li> <li>(ii) a Closely Related Party of such a member; and</li> </ul> </li> <li>b) the appointment does not specify the way the proxy is to vote on this Resolution.</li> </ul> <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>a) the proxy is the Chair; and</li> <li>b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.</li> </ul>

## Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

	(a)
<b>Resolutions 6, 7, 8, 9, &amp; 10 – Issue of Remuneration Options to Directors Donald Runge, Graham Howard, Ian Smith, Ron Douglas and Maree Arnason</b>	<p>Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive Plan in question (including Mr Donald Runge under Resolution 7 and Mr Graham Howard under Resolution 8, Mr Ian Smith under Resolution 9, Mr Ron Douglas under Resolution 10 and Ms Maree Arnason under Resolution 11 and their nominees) or an associate of those persons.</p>
<b>Resolution 11 - Increase in the Aggregate Remuneration Paid to Non-Executive Director Fee Pool</b>	<p>Any Director of the Company or any associate of a Director, regardless of the capacity in which the vote is cast.</p>
<b>Resolution 12 – Ratification of prior issue of Tranche 1 Broker Options.</b>	<p>Zenix Nominees Pty Ltd (ACN 107 391 908) or any of its associates.</p>

**Resolution 13 –  
Ratification of the  
agreement to issue the  
Tranche 2 Broker Options.**

Zenix Nominees Pty Ltd (ACN 107 391 908) or any of its associates.

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

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

**Voting by proxy**

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

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

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

Shareholders and their proxies should be aware that:

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

**Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9388 8290.**

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## EXPLANATORY STATEMENT

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

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting to be both as a virtual meeting via a web-based meeting portal as well as an in-person meeting at Elevate 1, The Westin, 111 Mary Street, Brisbane, QLD, 4000 on Monday, 20 November 2023 at 12.30pm (WST) (**Meeting**).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

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

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### 1. ANNUAL REPORT

In accordance with section 317 of the Corporations Act and the Constitution, the business of the Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2023 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <https://www.vhmltd.com.au/investors/announcements/>

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the following opportunities:

- discuss the Annual Report for the financial year ended 30 June 2023;
- ask questions or make comment on the management of the Company;
- ask questions about, or make comment on, the Remuneration Report;
- ask the auditor questions about:
  - the conduct of the audit;
  - the preparation and content of the Auditor's Report;
  - accounting policies adopted by the Company in relation to the preparation of the financial statements; and
  - the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about: the content of the Auditor's Report; or the conduct of the audit of the Financial Report, may be submitted no later than 5 Business Days before the Meeting (being no later than 13 November 2023) to the Company Secretary at the Company's registered office. At the Meeting the Company will allow a reasonable opportunity for the auditor or the auditor's representative to answer such written questions submitted to the auditor.

No resolution is required to be moved in respect of this item.

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## 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. The resolution is advisory only and does not bind the company or the directors of the company; however, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

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

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the Remuneration Report at the annual general meeting.

### 2.2 Voting consequences

Shareholders should note that in accordance with the "two strike rule," the vote on this Resolution may affect the Company's 2024 Annual General Meeting. The Corporations Act requires that a listed company must put to its shareholders at its annual general meeting a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against a adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

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

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

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

### 2.3 Previous voting results

This is the first Annual General meeting since the Company listed on ASX. Accordingly, at the Company's previous annual general meeting there was no resolution to approve the remuneration report. Accordingly, the votes cast against the remuneration report considered at that annual general meeting were less than 25% and a Spill Resolution is not relevant for this Annual General Meeting.

If the Remuneration Report receives a 'no' vote of 25% or more at this Annual General Meeting, Shareholders should be aware that if there is a 'no' vote of 25% or more at the Company's next annual general meeting the consequences are that all Directors (other than the Managing Director) may be up for re-election.

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### **3. RESOLUTION 2 - ELECTION OF MR GRAHAM ROGER HOWARD, AS DIRECTOR**

Resolution 2 seeks approval for the re-election of a Director.

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

Mr Graham Roger Howard was appointed as Non-Executive Director of the Company, effective 1 October 2023, under Rule 20.3 of the Constitution to fill a casual vacancy.

Pursuant to the Constitution, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that annual general meeting.

A summary of the qualifications and experience of Mr Howard is provided in the Annual Report.

The Board has reviewed Mr Howard's performance since their appointment to the Board and considers that their skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the election of Mr Howard and recommends that Shareholders vote in favour of Resolution 2.

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

Resolution 2 is an ordinary resolution.

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### **4. RESOLUTIONS 3, 4 AND 5 - ELECTION OF DIRECTORS**

Resolutions 3, 4 and 5 seek approval for the election of Directors.

#### **4.1 General**

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

Pursuant to the Constitution, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that annual general meeting.

Ian Smith, Ronald Douglas and Maree Arnason having been appointed by other Directors on the following dates:

- (a) Ian Smith – 18 August 2023;
- (b) Ronald Douglas – 18 August 2023; and
- (c) Maree Arnason – 18 August 2023.

In accordance with the Constitution, each of the directors will retire and being eligible, seek election from Shareholders.

#### **4.2 Qualifications and other material directorships**

A summary of the qualifications and experience of Mr Smith, Mr Douglas and Ms Arnason are provided in the Annual Report.

#### **4.3 Independence**

Mr Smith and Ms Arnason have no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected, the Board considers that Mr Smith and Ms Arnason will be independent Directors. Mr Douglas was appointed an Executive Director effective 1 October 2023 and is therefore not considered independent.

#### **4.4 Other material information**

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. Mr Smith, Mr Douglas and Ms Arnason have confirmed that they consider they will have sufficient time to fulfil their responsibilities as Directors of the Company and do not consider that any other commitment will interfere with their availability to perform their duties as Directors of the Company.

#### **4.5 Board recommendation**

The Board has reviewed each of the Directors performance since their appointment to the Board and considers that their skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the election of each of the Directors and make the following recommendations:

(a) Resolution 3: Each Director (other than Mr Smith, who is standing for election) recommends that Shareholders vote in favour of Resolution 3;

(b) Resolution 4: Each Director (other than Mr Douglas, who is standing for election) recommends that Shareholders vote in favour of Resolution 4;

(c) Resolution 5: Each Director (other than Ms Arnason, who is standing for election) recommends that Shareholders vote in favour of Resolution 5.

Resolutions 3, 4 and 5 are ordinary resolutions.

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### **5. RESOLUTIONS 6-10 – ISSUE OF REMUNERATION OPTIONS**

#### **5.1 General**

The Company has agreed, subject to obtaining Shareholder approval, to issue 500,000 Remuneration Options to each of Mr Donald Runge, Mr Graham Howard, Mr Ian Smith, Mr Ronald Douglas and Ms Maree Arnason (or their nominees) (**Related Parties**) pursuant to the Company's Employee Option Plan set out in the Prospectus dated 21 November 2022 (**Plan**), a summary of which is

provided in Schedule 1, and on the terms and conditions set out below (**Remuneration Options**).

## **5.2 Listing Rule 10.14**

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

10.14.1 a director of the entity;

10.14.2 an associate of a director of the entity; or

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

The issue of Remuneration Options to the Related Parties falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 6-10 seek the required Shareholder approval for the issue of the Remuneration Options under and for the purposes of Listing Rule 10.14.

## **5.3 Technical information required by Listing Rule 14.1A**

If Resolutions 6-10 are passed, the Company will be able to proceed with the issue of the Remuneration Options to the Related Parties under the Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Remuneration Options (because approval is being obtained under Listing Rule 10.14), the issue of the Remuneration Options will not use up any of the Company's 15% annual placement capacity.

If Resolutions 6-10 are not passed, the Company will not be able to proceed with the issue of the Remuneration Options to the Related Parties under the Plan. The Company may need to consider remuneration by way of cash within the prescribed limits which would be a further call on the cash resources.

## **5.4 Chapter 2E of the Corporations Act**

Chapter 2E of the Corporations Act also requires Shareholder approval where a public company seeks to give a "financial benefit" to a "related party" (unless an exception applies). A "related party" for the purposes of the Corporations Act is defined widely. It includes a director of a public company and specified members of the director's family. It also includes an entity over which a director maintains control. Directors are considered to be related parties within the meaning of the Corporations Act, and the issue of the Remuneration Options to the Related Parties (or their nominees) will constitute a financial benefit for the purposes of Chapter 2E of the Corporations Act.

An exception to the requirement to obtain Shareholder approval in accordance with Chapter 2E applies where the financial benefit constitutes part of the related party's "reasonable remuneration". The Directors (Mr Donald Runge, Mr Graham Howard, Mr Ian Smith, Mr Ronald Douglas and Ms Maree Arnason), consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Remuneration Options, because the

issue of the Remuneration Options constitutes reasonable remuneration payable to Mr Donald Runge, Mr Graham Howard, Mr Ian Smith, Mr Ronald Douglas and Ms Maree Arnason. In reaching this conclusion, the directors other than Mr Donald Runge, Mr Graham Howard, Mr Ian Smith, Mr Ronald Douglas and Ms Maree Arnason, has had regard to a variety of factors including market practice and the remuneration offered to persons in comparable positions at comparable companies.

## 5.5 Technical information required by Listing Rule 10.15

Pursuant to and in accordance with the requirements of Listing Rule 10.15, the following information is provided in relation to these Resolutions:

- (a) the Remuneration Options will be issued to the following persons:
- (i) Mr Donald Runge (or his nominee) pursuant to **Error! Reference source not found.6**;
  - (ii) Mr Graham Howard (or his nominee) pursuant to Resolution 7;
  - (iii) Mr Ian Smith (or his nominee) pursuant to Resolution 8;
  - (iv) Mr Ronald Douglas (or his nominee) pursuant to Resolution 9; and
  - (v) Ms Maree Arnason (or her nominee) pursuant to Resolution 10.

each of whom falls within the category set out in Listing Rule 10.14.1 by virtue of being a Director;

- (b) the maximum number of Remuneration Options to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is 2,500,000 as follows:
- (i) 500,000 Remuneration Options to Mr Donald Runge (or his nominee) pursuant to **Error! Reference source not found.6**; and
  - (ii) 500,000 Remuneration Options to Graham Howard (or his nominee) pursuant to **Error! Reference source not found.7**;
  - (iii) 500,000 Remuneration Options to Mr Ian Smith (or his nominee) pursuant to 8;
  - (iv) 500,000 Remuneration Options to Mr Ronald Douglas(or his nominee) pursuant to 9;
  - (v) 500,000 Remuneration Options to MS Maree Arnason(or her nominee) pursuant to **Error! Reference source not found.10**;
- (c) no Options have previously been issued under the Plan;
- (d) a summary of the material terms and conditions of the Remuneration Options is set out in Schedule 2;
- (e) the Remuneration Options are unquoted securities. The Company has chosen to issue Remuneration Options to the Related Parties for the following reasons:

- (i) Remuneration Options are unquoted; therefore, the issue of the Remuneration Options have no immediate dilutionary impact on Shareholders;
  - (ii) the milestones attached to the exercise of the Remuneration Options will align the interests of the Related Parties with those of Shareholders;
  - (iii) the issue of the Remuneration options are a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Donald Runge, Mr Graham Howard, Mr Ian Smith, Mr Ronald Douglas and Ms Maree Arnason; and
  - (iv) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Remuneration Options on the terms proposed;
- (f) the number of Remuneration Options to be issued to each of the Related Parties has been determined based upon a consideration of:
- (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
  - (ii) the remuneration of the Related Parties; and
  - (iii) incentives to attract and ensure continuity of service/retain the service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Remuneration Options upon the terms proposed;

- (g) the total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Related Party	Current Financial Year – Year ending 30 June 2024**	Previous Financial Year – Year ended 30 June 2023*
Don Runge	\$130,000	\$130,000
Graham Howard	\$545,000	\$661,079
Ian Smith	\$90,000	N/A
Ron Douglas	\$90,000	N/A
Maree Arnason	\$90,000	N/A

\* Ian Smith, Ron Douglas and Maree Arnason commenced 18 August 2023.

\*\*Current annual arrangements which are subject to change

If the Remuneration Options are issued, the total remuneration package of

- (i) Mr Runge will increase by \$75,401 to \$205,401;
- (ii) Mr Howard will increase by \$75,401 to \$620,401;
- (iii) Mr Smith will increase by \$75,401 to \$165,401;
- (iv) Mr Douglas will increase by \$75,401 to \$165,401; and
- (v) Ms Arnason will increase by \$75,401 to \$165,401.

being the value of the and the Remuneration Options (based on Black Scholes valuation);

- (h) The Remuneration Options are valued at \$0.15 per option based on the following inputs:
  - Share price: \$0.50
  - Exercise price: \$1.35
  - Risk-free rate: 3.83%
  - Expiry date: 30 November 2026
  - Standard deviation: 80%
- (i) the Remuneration Options will be issued to the Related Parties no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Remuneration Options will be issued on one date;
- (j) the issue price of the Remuneration Options will be nil, as such no funds will be raised from the issue of the Remuneration Options;
- (k) the purpose of the issue of the Remuneration Options is to provide a performance linked incentive component in the remuneration package for the Related Parties to align the interests of the Related Parties with those of Shareholders, to motivate and reward the performance of the Related Parties in their roles as Directors and to provide a cost effective way from the Company to remunerate the Related Parties, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties;
- (l) a summary of the material terms and conditions of the Plan is set out in Schedule 1;
- (m) no loans are being made to the Related Parties in connection with the acquisition of the Remuneration Options;
- (n) details of the Remuneration Options issued under the plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (o) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of the Remuneration Options under the

Plan after **Error! Reference source not found.**7-11 are approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.

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**6. RESOLUTION 11 – INCREASE IN THE AGGREGATE NON-EXECUTIVE DIRECTOR FEE POOL**

**6.1 General**

Listing Rule 10.17 and Rule 26.2 of the Constitution provides that an entity must not increase the total aggregate amount of director's fees payable to all Non-Executive Directors without the approval of holders of its ordinary securities.

The maximum aggregate amount of fees payable to Non-Executive Directors is currently set at \$450,000.

Resolution 11 seeks Shareholder approval for the purposes of Listing Rule 10.17 and Rule 26.2 of the Constitution to increase the total aggregate amount of fees payable to Non-Executive Directors to \$650,000.

The Board believes that this increase will allow further flexibility to increase the number of Non-Executive Directors.

**6.2 Technical information required by Listing Rule 10.17**

If Resolution 11 is passed, the maximum aggregate amount of fees payable to directors will increase by \$200,000 to \$650,000. Although the maximum amount of \$650,000 is being sought, the maximum amount will not necessarily be utilised immediately. The increase to the maximum aggregate amount of fees enables the Company to:

- (a) renumerate its existing and new Non-Executive Directors appropriately and link the remuneration of Non-Executive Directors with the achievement of strategic goals and the long term performance of the Company; and
- (b) have the ability to attract and retain Non-Executive Directors whose skills and qualifications are appropriate for a company of the size and nature of the Company and which provides incentives for superior performance that creates Shareholder value.

If Resolution 11 is not passed, the maximum aggregate amount of fees payable to Non-Executive Directors will remain at \$450,000. This may inhibit the ability of the Company to renumerate, attract and retain appropriately skilled Non-Executive Directors.

The Company has not issued securities to Non-Executive Directors pursuant to Listing Rules 10.11 and 10.14.

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## 7. RATIFICATION OF PRIOR ISSUE OF OPTIONS: RESOLUTION 12

### 7.1 Background

On 17 August 2023, the Company announced to ASX that it had appointed Euroz Hartleys Limited ACN 104 195 057 (Euroz Hartleys) as corporate advisor to progress development of the Company's projects and that, as the corporate advisory fee, the Company would issue to Euroz Hartleys 3 tranches of 2 million unlisted options based on meeting certain milestones.

The Company issued the 1<sup>st</sup> tranche of 2 million options (Tranche 1 Broker Options) within its 15% share issue capacity to Zenix Nominees Pty Ltd ACN 107 391 (described below) on 9 October 2023. By issuing the Tranche 1 Broker Options without shareholder approval under Listing Rule 7.1, the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 was accordingly reduced.

Resolution 12 seeks Shareholder approval for the prior issue of the Tranche 1 Broker Options to Zenix Nominees.

Shareholders' attention is drawn to the voting exclusion statements in the Notice.

### 7.2 Listing Rules 7.1 and 7.4

Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue or agree to issue more equity securities in any 12 month period other than the amount which is equal to 15% of its fully paid ordinary securities on issue at the start of that 12 month period (**15% share issue capacity**).

Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 will be treated as having been made with shareholder approval for the purposes of those Listing Rules if shareholders subsequently ratify it and the issue did not breach Listing Rule 7.1.

The issue of the Tranche 1 Broker Options pursuant to Schedule 3 does not fit within any of the exceptions set out in Listing Rule 7.2 and as such, without Shareholder approval pursuant to Listing Rule 7.4, the issue will be counted towards the Company's 15% share issue capacity and will therefore reduce the Company's capacity to issue securities in the future without obtaining Shareholder approval.

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.

Accordingly, Resolution 12 seeks shareholder approval under and for the purposes of Listing Rule 7.4, allowing the Company to substantially refresh its 15% share issue capacity.

If Resolution 12 is passed, the issue will be excluded in calculating the Company's 15% share issue capacity, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue.

If Resolution 12 is not passed, the issue of the Tranche 1 Broker Options will be included in calculating the Company's 15% share issue capacity, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue.

Resolution 12 is in ordinary resolution.

### 7.3 Specific Information Required by Listing Rule 7.5

In accordance with Listing Rule 7.5, the following information is provided for Shareholders:

- (1) The Tranche 1 Broker Options were issued to Zenix Nominees (Euroz Hartleys subsidiary).
- (2) The Company issued 2,000,000 unlisted options.
- (3) The Tranche 1 Broker Options were issued on 9 October 2023.
- (4) The Tranche 1 Broker Options were issued for nil cash consideration, being issued in consideration of corporate advisory services provided by Euroz Hartleys pursuant to the engagement agreement between the Company and Euroz Hartley dated 10 August 2023 (**Euroz Agreement**).
- (5) The Tranche 1 Broker Options were issued on the terms and conditions set out in Schedule 3.
- (6) No funds were raised on issue of the Tranche 1 Broker Options.
- (7) The purpose of the issue of the Tranche 1 Broker Options is to satisfy the Company's obligations under the Euroz Agreement in relation to corporate advisory fees.
- (8) The material terms of the Euroz Agreement are:
  - a. 18 month term commencing 10 August 2023;
  - b. Services to include a range of corporate advice;
  - c. Advisory fees comprise 3 tranches of 2 million unlisted options as follows:
    - i. Tranche 1 - exercisable at \$0.90 each expiring 2 years from issue;
    - ii. Tranche 2 – within 6 months at the Company's discretion and where the Company forms the view that Euroz hartleys are providing valuable services, exercisable at the greater of \$0.90 each or 120% of the share price at the time of issue expiring 2 years from date of issue; and
    - iii. Tranche 3 – in the event of a capital raising that exceeds \$20 million and where Euroz Hartleys acts as lead or joint lead manager, exercisable at a 30% premium to the capital raising price expiring 2 years from date of issue.

### 7.4 Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 12.

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## 8. APPROVAL FOR RATIFICATION OF THE AGREEMENT TO ISSUE THE TRANCHE 2 BROKER OPTIONS: RESOLUTION 13

### 8.1 Background

As noted in section **Error! Reference source not found.**, on 17 August 2023, the Company announced to ASX that it had appointed Euroz Hartleys as corporate advisor to progress development of the Company's projects and that, as the corporate advisory fee, the Company would issue to Euroz Hartleys 3 tranches of 2

million unlisted options based on meeting the milestones detailed in section 7.3(8)(c).

The Company is seeking shareholder approval under Resolution 13 to ratify the agreement to issue the 2nd tranche of 2 million unlisted options to Zenix Nominees on the terms set out in Schedule 4 (**Tranche 2 Broker Options**). By obtaining shareholder approval pursuant to Listing Rule 7.4, issuing those Tranche 2 Broker Options will not reduce the Company's 15% share issue capacity. The Company notes that the issue of the Tranche 2 Broker Options is at the discretion of the Company's board, where it forms the view in good faith the Euroz Hartleys is providing valuable advisory services to the Company.

Shareholders' attention is drawn to the voting exclusion statements in the Notice.

## **8.2 Listing Rules 7.1 and 7.4**

Information on Listing Rule 7.1 and 7.4 is set out in section 7.2 above.

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.

Resolution 13 seeks Shareholder approval for the purposes of Listing Rule 7.4 to allow the Company to issue the Tranche 2 Broker Options without utilising its 15% share issue capacity. The Company notes that the issue of the Tranche 2 Broker Options pursuant to Schedule 4 does not fit within any of the exceptions set out in Listing 7.2.

If Resolution 13 is passed, the Company will be able to proceed with the issue of the Tranche 2 Broker Options without utilising its 15% share issue capacity.

If Resolution 13 is not passed, the Company will still be able to issue the Tranche 2 Broker Options but the issue will be included in calculating the Company's 15% share issue capacity, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue.

Resolution 13 is an ordinary resolution.

## **8.3 Specific Information Required by Listing Rule 7.5**

In accordance with Listing Rule 7.5, the following information is provided for Shareholders:

- (1) The Tranche 2 Broker Options will be issued to Zenix Nominees Pty Ltd which is not a related party of the Company.
- (2) The Company will issue 2,000,000 unlisted options prior to 20 February 2024 but only if the Board forms the view in good faith that Euroz Hartleys is providing valuable advisory services to the Company.

For the avoidance of doubt, if Resolution 13 is passed and the Tranche 2 Broker Options are not issued prior to 20 February 2024, the Company will still be able to issue the Tranche 2 Broker Options but the issue will be included in calculating the Company's 15% share issue capacity.

- (3) The Tranche 2 Broker Options will be issued on the terms and conditions set out in Schedule 4.

- (4) The Tranche 2 Broker Options will be issued for nil cash consideration, being issued in consideration of corporate advisory services provided by Euroz Hartleys pursuant to the Euroz Agreement.
- (5) No funds will be raised under the issue of the Tranche 2 Broker Options.
- (6) The purpose of the issue of the Tranche 2 Broker Options is to satisfy the Company's obligations under the Euroz Agreement in relation to corporate advisory fees.
- (7) The material terms of the Euroz Agreement are set out in section 7.3 (8) above.

#### **8.4 Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 13.

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## GLOSSARY

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**\$** means Australian dollars.

**10% Placement Capacity** has the meaning given in section 5.1 of the Explanatory Memorandum.

**10% Placement Capacity Period** has the meaning given in section 5.1 of the Explanatory Memorandum.

**Annual Report** means the Directors' Report, the Financial Report and Auditor's Report in respect to the financial year ended 30 June 2023.

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

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

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

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

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

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

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

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

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

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

**Company** means VHM LIMITED (ACN 601 004 102).

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

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

**Directors** means the current directors of the Company.

**Eligible Employee** has the same meaning as the Plan.

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

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

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

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

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

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

**Optionholder** means a holder of an Option.

**Plan** means the VHM Employee Option Plan adopted by the Company on 11 October 2022, the key terms of which are set out in the Prospectus dated 21 November 2022.

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

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2023.

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

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

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

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

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

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**SCHEDULE 1 – VHM LIMITED EMPLOYEE OPTION PLAN – SUMMARY OF RULES**

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A summary of the key terms of the Plan is set out below:

- (a) (Eligible Employee): Eligible Employees include natural persons who are a:
  - (i) permanent full time or permanent part-time employee
  - (ii) consultant or contractor; or
  - (iii) director,

of the Company or any associated company who the Board determines to be eligible to participate in the Plan (Eligible Plan Participant).

- (b) (Plan interests): Eligible Plan Participants will be provided with an opportunity to acquire a financial interest in the Company, which will align their interests more closely with shareholders and provide greater incentive for them to focus on the Company's longer-term goals.
- (c) (Quantum): The number of Options offered to an Eligible Plan Participant will be specified in the invitation made to that Eligible Plan Participant.
- (d) (Terms and conditions): The Board may from time to time invite an Eligible Plan Participant to participate in the Plan. Invitations will be subject to such terms as the Board determines and will specify, amongst other things, the following:
  - (i) any option fee that may be applicable;
  - (ii) the exercise price of the Options;
  - (iii) the duration of the Options, including the first and last exercise date of the Options, subject to a maximum expiry date of 5 years from the date of issue of the Option;
  - (iv) any vesting conditions (including length of service or performance milestones) that the Board considers appropriate; and
  - (v) the time period for making an application to participate in the Plan.

Following receipt by an Eligible Plan Participant of an invitation as described above, the Eligible Plan Participant may make an application by delivering to the Company a duly completed and executed application form within the closing time specified in the invitation or in accordance with any other procedure set out in the invitation. The Board may then decide to accept or reject the offer made by the Eligible Plan Participant.

- (e) (Nominee): Following receipt by a Plan Eligible Employee of an invitation, a Plan Eligible Employee may nominate a nominee in whose favour the Plan Eligible Employee wishes to renounce its invitation (Nominee).

A Nominee, in relation to a Plan Eligible Employee, means:

- (i) an immediate family member of the Plan Eligible Employee;

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- (ii) a company whose members comprise only the Plan Eligible Employee or their immediate family members; or
- (iii) a corporate trustee of a self-managed superannuation fund where the Plan Eligible Employee is a director of the trustee, and the self-managed superannuation fund is an associate of the Plan Eligible Employee, as defined in the *Income Tax Assessment Act 1936* (Cth).

Following the receipt by a Plan Eligible Employee of an invitation, a Nominee may apply for Options by delivering to the Company a duly completed and executed renunciation form.

The terms and conditions of the Plan as summarised in this Section 8.4 otherwise apply to a Nominee of a Plan Participant where applicable.

- (f) (Exercise of Options): Subject to the satisfaction of any vesting conditions and the Plan rules, an Option which has not lapsed may be exercised by the Plan Participant during the relevant exercise period by lodging an exercise notice with the Company secretary or such other person nominated by the Board accompanied by the exercise price for the number of Options specified in the exercise notice and the certificate for those Options.

(Cashless exercise): At the time that a participant provides an exercise notice, the participant may request that the Board approves the application of the cashless exercise rule. If approved, this would enable the participant to satisfy the aggregate exercise price, by the Company allocating a number of Shares that are equal in value to the difference between the aggregate exercise price and the market value of the Shares which would otherwise have been allocated as at the time of exercise (rounded down to the nearest whole Share).

- (g) (Issue of Shares on exercise):

Following the valid exercise of an Option, the Company will:

- (i) issue the number of Shares required under the terms and conditions attached to the Options (being one Share per Option); and
- (ii) if admitted to the official list of ASX at the time (and subject to any escrow arrangements), apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

- (h) (Shares issued on exercise):

Shares issued on exercise of the Options rank equally with the then issued Shares of the Company.

- (i) (Restrictions): A Plan Participant may only exercise an Option in accordance with the terms of the Plan.

An Option issued under the Plan:

- (i) is not transferable and must not be assigned, sold, or subject to a security interest or otherwise dealt with;
- (ii) does not carry any voting rights or entitle the holder to any dividends;

- (iii) does not confer any right to participate in the surplus profits or assets of the Company upon winding up of the Company. The Options do not confer any right to a return of capital, whether in winding up, upon reduction of capital or otherwise;
- (iv) does not confer any participation rights or entitlements in respect of new issues of new securities (including bonus issues or entitlement issues to existing Shareholders) during the currency of the Options without exercising the Options, unless and until any applicable vesting conditions or performance milestones are achieved and the Option converts into Shares.
- (j) (Amendments): Subject to compliance with the ASX Listing Rules, the Board may at any time amend the Plan or waive or amend the application of any of the rules under the Plan in relation to an Eligible Plan Participant at any time and a change may be given retrospective effect. However, where any amendments will reduce any of the Plan Participants' rights in respect of their Plan Options, the Board must obtain the prior written consent of at least 75% of the Plan Participants affected by the change unless the amendment is to correct a manifest error or for the purpose of complying with applicable laws or to take into consideration possible adverse tax implications to the Plan arising from changes to relevant tax guidance.

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## SCHEDULE 2 - TERMS AND CONDITIONS OF REMUNERATION OPTIONS

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### 1. Entitlement

Subject to the terms and conditions set out below, each Option entitles the holder, on exercise, to the issue of one fully paid ordinary share in the capital of the Company (**Share**).

**Exercise Price:** \$1.35 per Option

**Expiry Date:** Three years from date of issue.

**Vesting Conditions:** 18 August 2024, provided the Eligible Employee remains a director of the Company until that date, otherwise the Options will automatically lapse.

### 2. Plan

Defined terms in these terms and conditions have the same meaning as in the Plan. In the event of any inconsistency between the Plan and these terms and conditions, these terms and conditions will apply to the extent of the inconsistency.

### 3. Consideration

The Options will be granted to the Eligible Employee (or their permitted nominee) for nil cash consideration.

### 4. Exercise

The holder may exercise their Options by lodging with the Company, on or prior to the Expiry Date:

- a. in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion;
- b. a written notice of exercise of Options specifying the number of Options being exercised (**Exercise Notice**); and
- c. a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised. Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.

### 5. Timing of issue of Shares and quotation of Shares on exercise

As soon as practicable after the issue of a Notice of Exercise by the holder, the Company will:

- a. issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled;
- b. if required, issue a substitute Certificate for any remaining unexercised Options held by the holder;

- c. if required and subject to paragraph 6, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- d. in the event the Company is admitted to the official list of ASX, do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules and subject to the expiry of any restriction period that applies to the Shares under the Corporations Act or the Listing Rules.

**6. Restrictions on disposal / transfer of Shares**

If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Options may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

**7. Shares issued on exercise**

All Shares issued upon the exercise of Options will upon issue rank *pari passu* in all respects with the then Shares of the Company.

**8. Transfer**

The Options are not transferable unless with the prior written approval of the Board and subject to compliance with the Corporations Act and the Listing Rules.

**9. Quotation**

No application for quotation of the Options will be made by the Company.

**10. Dividend and voting rights**

The Options do not confer on the holder an entitlement to vote at general meetings of the Company or to receive dividends.

**11. Participation in entitlements and bonus issues**

Subject always to the rights under paragraphs 12 and 13, holders of Options will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

**12. Adjustment for bonus issue**

If securities are issued pro-rata to shareholders generally by way of bonus issue (other than an issue in lieu of dividends by way of dividend reinvestment), the number of Options to which the holder is entitled will be increased by that number of securities which the holder would have been entitled if the Options held by the holder were exercised immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Listing Rules at the time of the bonus issue.

**13. Reorganisation of capital**

In the event that the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all the holder's rights as a holder of Options will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the

Listing Rules, following such reorganisation the holder's economic and other rights are not diminished or terminated.

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### **SCHEDULE 3 - TERMS AND CONDITIONS OF TRANCHE 1 BROKER OPTIONS**

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Option Terms:

- (a) Expiry Date: 9 October 2025
- (b) Exercise Price: \$0.90 per option.
- (c) Vesting conditions: Nil
- (d) Each Option entitles the holder to subscribe for and be issued one fully paid ordinary share in the Company.
- (e) The Options may be exercisable at any time prior to 5pm (Australian Eastern Standard Time) on the Expiry Date. Options not exercised on or before the Expiry Date will automatically lapse.
- (f) The Company will apply to ASX to have the shares issued upon exercise of the Options granted official quotation on ASX.
- (g) If the Company undertakes a reorganisation of its capital via a split or consolidation of its securities on issue, the rights attaching to the Options will be changed to reflect the conversion ratio used for the split or consolidation, in a manner consistent with the ASX Listing Rules.
- (h) The Options are transferable and will not be quoted on the ASX.
- (i) There will be no participating entitlement inherent in the Options to participate in new issues of capital which may be offered to shareholders during the currency of the Options.
- (j) There are no rights to a change in exercise price, or in the number of shares over which the Options can be exercised, in the event of a bonus issue by the Company prior to the exercise of any Options.

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**SCHEDULE 4 - TERMS AND CONDITIONS OF TRANCHE 2 BROKER  
OPTIONS**

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Option Terms:

- (k) Expiry Date: 2 years from date of issue.
- (l) Exercise Price: per option is the greater of \$0.90 or such price that is 120% of the Company's share price at the time of issue.
- (m) Vesting conditions: Nil
- (n) Each Option entitles the holder to subscribe for and be issued one fully paid ordinary share in the Company.
- (o) The Options may be exercisable at any time prior to 5pm (Australian Eastern Standard Time) on the Expiry Date. Options not exercised on or before the Expiry Date will automatically lapse.
- (p) The Company will apply to ASX to have the shares issued upon exercise of the Options granted official quotation on ASX.
- (q) If the Company undertakes a reorganisation of its capital via a split or consolidation of its securities on issue, the rights attaching to the Options will be changed to reflect the conversion ratio used for the split or consolidation, in a manner consistent with the ASX Listing Rules.
- (r) The Options are transferable and will not be quoted on the ASX.
- (s) There will be no participating entitlement inherent in the Options to participate in new issues of capital which may be offered to shareholders during the currency of the Options.
- (t) There are no rights to a change in exercise price, or in the number of shares over which the Options can be exercised, in the event of a bonus issue by the Company prior to the exercise of any Options.

For personal use only



Your proxy voting instruction must be received by **12.30pm (AWST) on Saturday, 18 November 2023**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

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

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

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

### Lodging your Proxy Voting Form:

#### Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

**Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.**



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

#### BY FACSIMILE:

+61 2 8583 3040

#### All enquiries to Automic:

#### WEBSITE:

<https://automicgroup.com.au/>

#### PHONE:

1300 288 664 (Within Australia)  
+61 2 9698 5414 (Overseas)

