

Airtasker Limited ACN 149 850 457

Supplementary Notice of Annual General Meeting and Explanatory Statement

This supplementary Notice of General Meeting and Explanatory Statement relates to the Company's Annual General Meeting (**Meeting**) to be held virtually (online) on 24 November 2021 commencing at 11.00am (AEDT).

You should read this document in conjunction with the Company's Notice of Annual General Meeting and Explanatory Statement dated 20 October 2021 (**Notice of Meeting**). Defined terms in this Supplementary Notice have the same meanings as in the Notice of Meeting.

The Company confirms that in issuing this Supplementary Notice there is no change to the time and date of the Meeting (being held virtually (online) on 24 November 2021 commencing at 11.00am (AEDT)).

Defined terms used in this Supplementary Notice have the same meanings as in the Notice of Meeting unless otherwise specified in this Supplementary Notice.

Supplementary Notice of Annual General Meeting

The Company wishes, by this Supplementary Notice, to add an additional Resolution 4 to its Notice of General Meeting and Explanatory Statement dated 20 October 2021.

RESOLUTION 4 – GRANT OF RIGHTS TO THE CHIEF EXECUTIVE OFFICER

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

"That, for the purposes of ASX Listing Rule 10.14 and all other purposes, the Shareholders approve the grant of \$200,000 worth of Performance Rights to the Managing Director & CEO, Mr Timothy Fung, under the Plan on the terms and conditions set out in the Explanatory Statement."

Note: This resolution is subject to voting exclusions which are set out below. The Chairman of the meeting will not vote undirected proxies on this resolution.

VOTING EXCLUSIONS

Voting Exclusions in accordance with the Corporations Act

Resolution 4: In accordance with section 250BD of the Corporations Act 2001, a vote must not be cast on Resolution 4 as a proxy by a member of the Key Management Personnel at the date of the Meeting, or a Closely Related Party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chairman where the proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the Key Management Personnel.

Voting Exclusions in accordance with ASX Listing Rules

Resolution 4: In accordance with Listing Rules 14.11, the Company will disregard any votes cast in favour of the resolution by or on behalf of the following persons:

- Any person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan; or
- Any associate of such a person.

SUPPLEMENTARY EXPLANATORY STATEMENT

The Company wishes to add the following to the Explanatory Statement to its Notice of General Meeting dated 20 October 2021, pertaining to additional Resolution 4 the subject of this Supplementary Notice:

RESOLUTION 4 – GRANT OF RIGHTS TO THE CHIEF EXECUTIVE OFFICER

The Company proposes to grant \$200,000 worth of Performance and Service Rights to Mr Timothy Fung, the Managing Director and Chief Executive Officer of the Company (**CEO Rights**). Resolution 4 seeks the required shareholder approval to issue securities under the Plan to Mr Timothy Fung for the purposes of ASX Listing Rule 10.14.

1.1 Material terms of the CEO Rights

The CEO Rights are proposed to be issued under the Rights Plan (**Plan**) on the following terms:

- (i) The number of CEO Rights to be granted will be determined by dividing \$200,000 by the volume weighted average price of the Company's shares for the 5 trading days prior to the grant date;
- (ii) each CEO Right will be granted for nil consideration, and no consideration will be payable by Mr Timothy Fung to exercise a CEO Right (that is, the exercise price for a CEO Right is nil);
- (iii) the CEO Rights will be issued in 3 tranches:
 - (A) Tranche 1: 30% of the CEO Rights;
 - (B) Tranche 2: 30% of the CEO Rights; and
 - (C) Tranche 3: 40% of the CEO Rights;
- (iv) 50% of each Tranche of CEO Rights will automatically lapse if the Company's FY22 stretch annualised revenue and operating leverage targets are not met;
- (v) the CEO Rights will be subject to the following vesting conditions:
 - (A) Tranche 1:
 - (1) Mr Timothy Fung must remain an employee until 30 June 2022; and
 - (2) The Company's 30 day volume weighted average share price (**VWAP**) at 30 June 2022 must be equal to or above the Company's VWAP at 30 June 2021. If this condition is not met, vesting of the CEO Rights is deferred to and incorporated into the Tranche 2 condition, providing a second chance to achieve vesting of these CEO Rights.
 - (B) Tranche 2:

- (1) Mr Timothy Fung must remain an employee at 30 June 2023. If employment is terminated before 2 years have elapsed, a pro rata grant will be made, if all other conditions are met; and
 - (2) The Company's 30 day VWAP at 30 June 2023 is equal to or above the Company's VWAP at 30 June 2021. If this condition is not met, vesting of the CEO Rights is deferred to and incorporated into the Tranche 3 condition, providing a second chance to achieve vesting of these CEO Rights.
- (C) Tranche 3:
- (1) Mr Timothy Fung must remain an employee at 30 June 2024. If employment is terminated before 3 years have elapsed, a pro rata grant will be made if all other conditions are met; and
 - (2) The Company's share price compound annual growth rate (**CAGR**) must meet or exceed the CAGR of the ASX 300 Information Technology Index (**IT Index**) for the three year period commencing 1/7/21 (**Comparison Period**), as follows:
 - 0% of the Rights vest if the Company CAGR is less than the IT Index CAGR for the Comparison Period;
 - 25% of the Rights vest if the Company CAGR equals the IT Index CAGR;
 - 50% of the Rights vest if the Company CAGR equals or is greater than a 2.5% premium to the IT Index CAGR for the Comparison Period;
 - 100% of the Rights vest if the Company CAGR equals or is greater than a 5% premium to the IT Index CAGR for the Comparison Period; and
 - A pro rata portion of Tranche 3 CEO Rights will vest where the Company CAGR is between the IT Index CAGR and 5% above the IT Index CAGR for the Comparison Period.
- (vi) once vesting conditions have been met, each CEO Right will entitle the CEO to acquire one Share upon exercise;
 - (vii) each CEO Right may be exercised at any time from the date of vesting until the date they lapse;
 - (viii) unless they lapse earlier in accordance with the rules of the Plan, each CEO Right will lapse 15 years from the date of grant; and
 - (ix) the CEO Rights will otherwise be granted on the terms and conditions set out in the rules of the Plan, including the forfeiture and change of control provisions set out in the Plan.

1.2 ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides that a listed company must not permit a director (or certain other classes of persons) to acquire Equity Securities under an employee incentive scheme unless it obtains the approval of its Shareholders.

Mr Timothy Fung is a director of the Company. Accordingly, shareholder approval is required for the grant of the CEO Rights under Listing Rule 10.14. If Shareholder approval is given under Listing Rule 10.14 pursuant to this Resolution, Shareholder approval under Listing Rule 10.11 is not required.

Pursuant to Listing Rule 7.2, exception 13, the effect of passing Resolution 4 will be to allow the Company to issue the CEO Rights (and issue Shares on exercise of these Rights) to Mr Fung without using the Company's 15% placement capacity under Listing Rule 7.1. Further to this, the issue of these Rights (and issue of shares on exercise of these Rights) under the Plan also falls within exception 13 in Listing Rule 7.2.

Accordingly, if Shareholder approval is given for the grant of the CEO Rights for the purposes of Listing Rule 10.14:

- (i) shareholder approval will not be required for the purposes of Listing Rule 7.1;
- (ii) the Company will grant the CEO Rights without using any of the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholder approval is not given for the grant of the CEO Rights, the Company will not be able to proceed with the proposed grant to Mr Timothy Fung and the Board may consider other options available to compensate Mr Timothy Fung in addition to his current remuneration.

1.3 Additional information required under ASX Listing Rule 10.15

Pursuant to and in accordance with ASX Listing Rule 10.15, the following additional information is provided for the purpose of obtaining shareholder approval for Resolution 4:

- (i) The CEO Rights will be granted to Mr Timothy Fung, who is a director of the Company and therefore a related party of the Company.
- (ii) A summary of the material terms of the Plan is contained at the end of this Supplementary Notice and forms part of this Supplementary Notice. Each Director is entitled to participate in the Plan.
- (iii) The current total remuneration package of Mr Timothy Fung (excluding CEO Rights) is set out below:

Base salary	\$450,000
Superannuation	\$23,568
STI (On Target Earnings)	\$250,000
STI (Additional stretch target)	\$125,000
Total	\$848,568
- (iv) The Company has previously issued 4,000,000 Share Appreciation Rights to Mr Timothy Fung under the Plan:
- (v) If Resolution 4 is passed, the CEO Rights are expected to be granted by the Company within one month of the date of the Meeting (and will in any event be granted within 3 years of the date of the Meeting), and it is anticipated that all of the proposed CEO Rights will be issued on one date;
- (vi) The Company proposes to issue CEO Rights as part of the overall remuneration package of Mr Timothy Fung.
- (vii) The Company has obtained an independent valuation of the CEO Rights of \$156,181 based on a "Monte Carlo" valuation simulation in accordance with relevant accounting standards.
- (viii) Details of any securities 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 ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after Resolution 4 is approved and who were not named in this Notice will not participate until approval is obtained under that rule.

1.4 Section 208 of Corporations Act

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party (which includes a Director), 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 Board has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed grant of CEO Rights as the exception in section 211 of the Corporations Act applies. The CEO Rights are being issued for the reasons set out above and are considered reasonable remuneration for the purposes of section 211 of the Corporations Act.

1.5 Board recommendation

The Board (excluding Mr Fung) recommends that shareholders vote in favour of Resolution 4.

The Chairman will not vote undirected proxies in respect of Resolution 4.

NOTES:

This notice is supplementary to and does not affect the validity of the Company's Notice of Annual General Meeting dated 20 October 2021. A revised proxy form is attached for those Shareholders who wish to vote on this additional Resolution.

As was set out in the Notice of Meeting, due to the impacts of COVID-19, this year, the AGM will be held virtually. There will not be a physical meeting where shareholders can attend.

Further details of how shareholders can attend and participate in the AGM are set out in the Notice of Meeting and are available at the Company's website at

<https://www.airtasker.automic.com.au/investor-services>.

Dated: 2 November 2021

By order of the Board

Mark Simpson
Company Secretary
Airtasker Limited

SUMMARY OF PLAN

Plan	Rights Plan.
Type of securities issued under the plan	<p>Rights, being entitlements to Shares, save that the Rights may, when exercised, be settled in:</p> <ul style="list-style-type: none"> • cash (less any exercise price and withholdings such as PAYG tax); and/or • whole Shares, <p>as determined by the Board in its discretion.</p>
Eligible participants	Current or prospective full-time, part-time or casual employees or contractors of Airtasker and its subsidiaries (or their nominees). Non-executive Directors of Airtasker are not eligible to participate in this plan.
Price of securities issued under the plan	Unless otherwise determined the Board, the Rights will have nil issue prices and nil exercise prices. If an issue price greater than nil is specified, that issue price must be paid by the participant to acquire the Right. If an exercise price greater than nil is specified, that exercise price must be paid by the participant to exercise the Right. Rights with an exercise price greater than nil are referred to in the plan as 'Share Appreciation Rights'.
Vesting conditions	<p>Rights may be subject to:</p> <ul style="list-style-type: none"> • performance-based vesting conditions (which may also include time-based vesting conditions), and these Rights are referred to in the plan as 'Performance Rights'; • time-based vesting conditions only, and these Rights are referred to in the plan as 'Service Rights'; or • no vesting conditions, and these Rights are referred to in the plan as 'Restricted Rights'. <p>Performance-based vesting conditions are measured over a period of three financial years, unless otherwise determined by the Board. Performance-based vesting conditions may relate to performance of Airtasker or the participant, and may be subject to achievement of minimum hurdles.</p> <p>Service-based (i.e. time-based) vesting conditions are measured over a period of a number of financial years as determined by the Board. The Board has the discretion to determine that any service-based vesting conditions have been fulfilled whether or not a participant remains employed by the Group.</p> <p>The Board has the discretion to amend vesting conditions if it forms the view that it is appropriate to do so given the circumstances that prevailed during the relevant measurement period. In exercising this discretion, the Board shall take into account, amongst other factors it considers relevant, Company performance from the perspective of shareholders over the relevant measurement period.</p>
Dividends and voting rights	Rights do not carry dividend or voting rights prior to vesting. Shares allocated on exercise carry the same dividend and voting rights as other Shares.
Expiry	The Rights expire if they are not exercised within 15 years of their grant date, or such other date as specified in an invitation. The Rights may also be forfeited in circumstances, as described below.

Forfeiture	<p>Unvested Rights may be forfeited in the following circumstances:</p> <ul style="list-style-type: none">• if the participant ceases to be employed by the Group, unless the Board allows the participant to retain any Rights for later vesting;• if the Board forms the opinion that the participant has committed an act of fraud, defalcation or gross misconduct in relation to the Group;• if allowing the Rights to be retained by the participant would, in the opinion of the Board, result in an inappropriate benefit to the participant; or• if there is an attempt to deal with Shares which are subject to restrictions as described below.														
Loans to participants	N/A.														
Restrictions on securities	<p>Holders of Rights may not dispose of or otherwise deal with Rights other than by operation of law on death or legal incapacity to the participants' legal personal representatives.</p> <p>Restricted Rights may not be exercised within 90 days of their grant date, or such longer period as specified in an invitation. Performance Rights and Service Rights may not be exercised until the vesting criteria have been satisfied. The Board may impose other periods during which Rights may not be exercised or may waive any restrictions on exercise.</p> <p>All Shares acquired on exercise of Rights cannot be disposed of or otherwise dealt with for any restriction period specified in an invitation, and in any event cannot be disposed of in breach of the Company's share trading policy or Division 3 of Part 7.10 of the Corporations Act. The restriction can be waived by the Board in cases of severe and demonstrable hardship.</p>														
Trustee	The Board may require Shares acquired on exercise of Rights to be held by a trustee for the benefit of participants.														
Change in control	<p>Unless otherwise determined by the Board, where the Board determines that Airtasker will be imminently de-listed, all unvested Performance Rights with an exercise price other than nil will vest, a number of unvested Performance Rights with a nil exercise price will vest as determined in accordance with the following formula:</p> <table><tr><td>Number of Performance Rights in tranche to vest</td><td>=</td><td>Unvested Performance Rights in tranche</td><td>x</td><td>% of first year of measurement period elapsed</td><td>x</td><td>(Share price at a date determined by the Board – Share price at measurement period commencement)</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>Share price at measurement period commencement</td></tr></table> <p>and otherwise unvested Performance Rights and Service Rights will vest or lapse as determined by the Board. All exercise restrictions will also lift.</p> <p>Where the Board determines that a major part of Airtasker's assets or operations will imminently cease to be owned by the Group, unvested Performance Rights and Service Rights will vest or lapse, or may otherwise be adjusted, as determined by the Board.</p>	Number of Performance Rights in tranche to vest	=	Unvested Performance Rights in tranche	x	% of first year of measurement period elapsed	x	(Share price at a date determined by the Board – Share price at measurement period commencement)							Share price at measurement period commencement
Number of Performance Rights in tranche to vest	=	Unvested Performance Rights in tranche	x	% of first year of measurement period elapsed	x	(Share price at a date determined by the Board – Share price at measurement period commencement)									
						Share price at measurement period commencement									
Limit on number of securities issued under the plan	ASIC Class Order 14/1000 and the 5% of issued capital issue limit over three years therein will apply to the plan.														

Maximum number of securities proposed to be issued under this plan	20,000,000.
Amendments	The Board has the discretion to amend the plan rules. No amendment may reduce the existing rights of any participant in respect of any accepted application for Rights that had commenced prior to the date of the amendment or repeal, other than with the consent of the participant or where the amendment is introduced primarily to comply with laws relating to the plan, to correct any manifest error or mistake or to address possible adverse tax implications for participants or Airtasker.