



**SALTER
BROTHERS**

EMERGING COMPANIES LIMITED

**SALTER BROTHERS EMERGING COMPANIES LIMITED
ABN 96 646 715 111**

Notice of Annual General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
Friday, 18 November 2022

Time of Meeting:
11.00am (AEDT)

Location:
**The Intercontinental Hotel
495 Collins Street
Melbourne, Victoria 3000**

Shareholders are strongly encouraged to lodge their completed proxy forms in accordance with the instructions in this Notice of General Meeting.

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay.

SALTER BROTHERS EMERGING COMPANIES LIMITED

ABN 96 646 715 111

Registered office: Level 9, 477 Collins Street, Melbourne, VIC 3000

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of shareholders of Salter Brothers Emerging Companies Limited (the "Company") will be held at the Intercontinental Hotel, 495 Collins Street, Melbourne VIC 3000 at 11.00am (AEDT) on Friday, 18 November 2022 ("General Meeting" or "Meeting").

AGENDA

The Explanatory Statement and Proxy Form which accompany and form part of this Notice, include defined terms and describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the Proxy Form in their entirety.

ORDINARY BUSINESS

Receipt and Consideration of Accounts & Reports

To receive and consider the Financial Report of the Company and the related reports of the Directors and auditors for the financial year ended 30 June 2022.

Note: There is no requirement for Shareholders to approve these reports. Accordingly, no Resolution will be put to Shareholders on this item of business.

Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That for the purpose of section 250R(2) of the Corporations Act 2001 (Cth) and for all other purposes, the Remuneration Report of the Company (which forms part of the Directors' Report) for the financial year ended 30 June 2022 be adopted."

Note: This resolution is advisory only and does not bind the Company or the Directors.

Voting exclusions apply to this item – please see the voting exclusions on page 5.

Resolution 2: Re-election of Mr Robert Salter as a Director of the Company

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr Robert Salter, who retires by rotation pursuant to the Constitution of the Company and, being eligible, offers himself for re-election, be re-elected as a Director of the Company in accordance with the Constitution of the Company."

Resolution 3: Re-election of Mr Marcos Marcou as a Director of the Company

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr Marcos Marcou, who retires by rotation pursuant to the Constitution of the Company and, being eligible, offers himself for re-election, be re-elected as a Director of the Company in accordance with the Constitution of the Company."

Resolution 4: Approval of 10% Placement Facility

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

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

Resolution 5: Adoption of new Constitution

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

"That, with effect from the close of the Meeting, for the purpose of section 136(2) of the Corporations Act and for all other purposes, the document titled Constitution of Salter Brothers Emerging Companies Limited tabled at the Meeting and signed by the Chairperson of the Meeting for the purposes of identification be adopted as the new Constitution of the Company in substitution for, and to the exclusion of, the existing Constitution of the Company, which existing Constitution is repealed."

By order of the Board



Justin Mouchacca
Company Secretary

18 October 2022

Notes

- 1. Entire Notice:** The details of the Resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
- 2. Record Date:** The Company has determined that for the purposes of the Annual General Meeting, Shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm (AEDT) on Wednesday, 16 November 2022. Only those persons will be entitled to vote at the General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.

3. Proxies

All voting will be conducted by poll.

The Directors instruct all Shareholders who would like to appoint a proxy to lodge a proxy form prior to Wednesday, 16 November 2022 at 11:00am (AEDT) (**Proxy Cut-Off Time**). Please refer to the accompanying proxy form for further details on how to appoint a proxy.

Shareholders are strongly urged to appoint the Chairperson as their proxy. Shareholders can complete the Proxy Form to provide specific instructions on how a Shareholder's vote is to be cast on each item of business, and the Chairperson must follow your instructions. Lodgement instructions (which include the ability to lodge proxies online) are set out in the Proxy Form attached to the Notice. If a person other than the Chairperson is appointed as proxy, the proxy will revert to the Chairperson in the absence of the appointed proxy holder's attendance at the Meeting.

4. Asking questions

A discussion will be held on all items of business to be considered at the Meeting.

Shareholders will have a reasonable opportunity to ask questions during the Meeting, including an opportunity to ask questions of the Company's external auditor.

To ensure that as many Shareholders as possible have the opportunity to speak, we ask that all shareholders observe the following when asking questions:

- all Shareholder questions should be stated clearly and should be relevant to the business of the Meeting, including matters arising from the Annual Report, Directors' Report (including the Remuneration Report) and Auditor's Report, and general questions about the performance, business or management of the Company;
- if a Shareholder has more than one question on an item, all questions should be asked at the one time; and
- Shareholders should not ask questions at the Meeting regarding personal matters or those that are commercial in confidence.

If you wish to register questions in advance of the Meeting, you are invited to do so by sending your questions at least two business days prior to the Meeting by email to justin.mouchacca@salterbrothersemergingcompanies.com.au.

We will attempt to address the more frequently asked questions at the Meeting.

5. Corporate Representative

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate, letter, form of appointment or other satisfactory evidence of appointment executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority must be sent to the Company and/or registry in advance of the Meeting when registering as a corporate representative.

6. How the Chairperson will vote undirected proxies

Subject to the restrictions set out below, the Chairperson of the Meeting intends to vote all undirected proxies on, and in favour of, all of the proposed Resolutions.

7. Voting Exclusion Statements

The Corporations Act and the Listing Rules require that certain persons must not vote, and that the Company must disregard any votes cast by or on behalf of certain persons, on the resolutions to be considered at the Meeting. These voting exclusions are described below.

Voting Exclusions for Resolution 1

The Company will disregard any votes cast on Resolution 1:

- by or on behalf of a member of the key management personnel (**KMP**) whose remuneration details are included in the Remuneration Report, or any of their closely related parties, regardless of the capacity in which the votes are cast; or
- by any person who is a KMP member at the date of the Meeting, or any of their closely related parties, as a proxy,

unless the votes are cast as a proxy for a person who is entitled to vote on Resolution 1:

- in accordance with their directions on how to vote as set out in the Proxy Form; or
- by the Chairperson of the Meeting in accordance with an express authorisation in the proxy appointment to cast the votes even if Resolution 1 is connected directly or indirectly with the remuneration of a KMP member.

If you are a member of the KMP or a closely related party of a member of the KMP (or are acting on behalf of any such person) and purport to cast a vote on Resolution 1 that vote will be disregarded by the Company (as indicated above). You may also be liable for breach of the voting restrictions in the Corporations Act if you cast a vote that the Company will disregard.

Voting Exclusions for Resolution 2

There are no voting exclusions on this Resolution.

Voting Exclusions for Resolution 3

There are no voting exclusions on this Resolution.

Voting Exclusions for Resolution 4

As at the date of dispatch of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2 and, therefore, a voting exclusion statement on this resolution is not required by Listing Rule 7.3A.7.

Voting Exclusions for Resolution 5

There are no voting exclusions on this Resolution.

8. Enquiries

Shareholders are invited to contact the Company Secretary, Justin Mouchacca on (03) 9258 2100 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

Receipt and Consideration of Accounts & Reports

A copy of the Annual Report for the financial year ending 30 June 2022 (which incorporates the Company's Financial Report, reports of the Directors (including the Remuneration Report) and the auditors) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution costs associated with doing so for all shareholders.

You may obtain a copy free of charge in hard copy form by contacting the Company by phone at (03) 9258 2100, and you may request that this occurs on a standing basis for future years. Alternatively, you may access the annual report at the Company's website: <https://salterbrothersemergingcompanies.com.au> or via the Company's announcement platform on ASX. Except for as set out in Resolution 1, no Resolution is required on these reports.

Resolution 1: Adoption of Remuneration Report

Background

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Company's 2022 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors of the Company.

In accordance with Section 250SA of the Corporations Act, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the Remuneration Report at the General Meeting.

The Corporations Act requires the Company to put a resolution to Shareholders that in accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five (25%) per cent or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must stand for re-election.

It is noted that at the Company's last Annual General Meeting, the votes cast against the Remuneration Report represented less than twenty five (25%) per cent of the total votes cast and accordingly, a spill resolution will not under any circumstances be required for the Annual General Meeting.

Board Recommendation

Noting that each Director has a personal interest in their own remuneration from the Company (as described in the Remuneration Report), and that each Director (or any closely related party of a Director) is excluded from voting their shares on Resolution 1 (as described in the "Voting Exclusion Statements" section above), the Directors unanimously recommend that shareholders vote in favour of Resolution 1 to adopt the Remuneration Report.

Resolutions 2 and 3: Re-election of Directors of the Company

Background

The Constitution of the Company requires that at the close of every Annual General Meeting a number of the Directors must retire from office (being the greater of the number determined by the Directors, required for compliance with the ASX Listing Rules, or two Directors) and will be eligible for re-election at the Meeting. Further, the Listing Rules require that a director must not hold office past the third annual general meeting following the director's appointment or 3 years, whichever is longer.

Mr Robert Salter and Mr Marcos Marcou retire from office in accordance with the Constitution and, being eligible, offer themselves for re-election. The relevant professional experience and skills of each is provided below.

Mr Robert Salter

Prior to co-founding Salter Brothers, Mr Salter was a Senior Investment Advisor at Macquarie Bank Limited where he provided investment advice to high net worth and ultra-high net worth individuals in the Asia Pacific region, encompassing asset allocation, structuring and investment selection. Before this, Mr Salter held similar roles as a Director with UBS Wealth Management and also at Merrill Lynch Private. Prior to his career as an investment advisor, Mr Salter worked overseas, principally in Switzerland, as the Deals Desk Head for the Metals and Minerals Division of Trafigura Beheer BV, a physical commodity trader. Mr Salter was responsible for the management of the Global Derivatives book encompassing both the hedging of physical price risk and all proprietary trading activities.

Mr Salter is a member of Chartered Accountants Australia and New Zealand (CAANZ). He holds a Bachelor of Commerce (University of Melbourne), is PS146 Accredited and was an Accredited Derivatives Advisor Levels 1 & 2 with Macquarie Equities.

Mr Marcos Marcou

Mr Marcou has over 30 years' experience in leading and advising on mergers and acquisitions, corporate strategy, governance, private equity raising and investments. Mr Marcou has held a number of senior management positions in the telecommunications, technology and resources sectors with Benchmark Factory – NASDAQ:DELL (USA), SpeedCast – ASX:SDA (Hong Kong), Damovo-Ericsson – NASDAQ:ERIC (Australia) and Deloitte Consulting (Australia & Hong Kong) specialising in corporate strategy, and mergers and acquisitions.

Recently, Mr Marcou also held the role of Executive Director and Company Secretary at Kazakhstan Potash Corporation Limited (ASX:KPC) and prior to this, Mr Marcou was joint founder and Director of MAP Capital Advisors, a boutique corporate advisory and funds management business.

Mr Marcou holds a Bachelor of Arts (University of Melbourne) and a Master of Business Administration (Swinburne University of Technology).

Board Recommendation

Regarding Resolution 2, the Board (with Mr Salter abstaining), recommends that Shareholders vote in favour of the re-election of Mr Salter. The Chairperson of the Meeting intends to vote undirected proxies in favour of Mr Salter's re-election.

Regarding Resolution 3, the Board (with Mr Marcou abstaining), recommends that Shareholders vote in favour of the re-election of Mr Marcou. The Chairperson of the Meeting intends to vote undirected proxies in favour of Mr Marcou's re-election.

Resolution 4: Approval of 10% Placement Facility

Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities of up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting ("**10% Placement Facility**") at which the approval for such additional capacity is approved by special resolution of Shareholders. The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

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

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The Company previously obtained shareholder approval for the 10% Placement Facility on 19 November 2021.

If Shareholders do not approve Resolution 4 then the Company will not be able to issue Equity Securities under the 10% Placement Facility for which approval is sought at the Meeting.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

The Company continues to actively seek to enhance the value of its assets and new investments. Should the Company utilise the 10% Placement Facility, it intends to use the funds for investment activities, or to meet additional working capital requirements.

Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an Annual General Meeting. This means it requires approval of 75% of the votes cast by Shareholders present and eligible to vote.

(b) Equity Securities

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

The Company, as at the date of the Notice, has one class of quoted securities on issue, being fully paid ordinary shares.

(c) Formula for calculating 10% Placement Facility

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

$$(A \times D) - E$$

A is the number of fully paid ordinary shares on issue at the commencement of the “relevant period” (which, for the Company, is the 12-month period immediately preceding the date of the issue or agreement):

- (A) plus the number of fully paid ordinary shares issued in the relevant period under an exception in Listing Rule 7.2, other than exception 9, 16 or 17;
- (B) plus the number of fully paid ordinary shares issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
 - (i) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - (ii) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
- (C) plus the number of fully paid ordinary shares issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
 - (i) the agreement was entered into before the commencement of the relevant period; or
 - (ii) the agreement or issue was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
- (D) plus the number of any other fully paid ordinary shares issued in the relevant period with approval of holders of shares under Listing Rules 7.1 or 7.4;
- (E) plus the number of partly paid ordinary shares that became fully paid in the relevant period;
- (F) less the number of fully paid ordinary shares cancelled in the relevant period.

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

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement to issue has not been subsequently approved by the Shareholders under Listing Rule 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

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

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

(e) *Nature and Consideration for issue and Minimum Issue Price*

The Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per security which must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

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

(f) *10% Placement Period*

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

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

Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) **Period for which the approval will be valid:** The period for which the Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid commences on the date of the Annual General Meeting at which the approval is obtained, being 18 November 2022, and expires on the first to occur of the following:
 - (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained, being 18 November 2022 if shareholders approve Resolution 4;
 - (ii) the time and date of the Company's next annual general meeting after the Annual General meeting at which the approval is obtained;
 - (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- (b) **Minimum Price:** The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the relevant Equity Securities; or
 - (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) **Purpose for which the funds may be used:** The purposes for which the funds raised by an issue of Equity Securities under rule 7.1A.2 (for cash consideration only) may be used by the Company include:
 - (i) consideration for the acquisition(s) of new assets and investments, including the expenses associated with such acquisition(s) (provided the Equity Securities are issued for cash); and
 - (ii) continued expenditure on the Company's current investment activities and/or general working capital.
- (d) **Risk of economic and voting dilution:** If this resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting

power in the Company will be diluted as shown in the below table. Shareholders may also be exposed to economic risk and voting dilution, including the following:

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

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

The below table shows the dilution of existing Shareholders on the basis of the market price of Shares as at 17 October 2022 ("**Current Share Price**") and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

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

Variable 'A' in Listing Rule 7.1A.2		Issue Price		
		\$0.34 50% decrease in Current Share Price	\$0.68 Current Share Price	\$1.36 100% increase in Current Share Price
Current Variable A 94,392,046 Shares	10% Voting Dilution	9,439,205 Shares		
	Funds raised	\$3,209,330	\$6,418,659	\$12,837,319
50% increase in current Variable A 141,588,069 Shares	10% Voting Dilution	14,158,807 Shares		
	Funds raised	\$4,813,994	\$9,627,989	\$19,255,978
100% increase in current Variable A 188,784,092 Shares	10% Voting Dilution	18,878,409 Shares		
	Funds raised	\$6,418,659	\$12,837,318	\$25,674,636

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- No Options (including any Options issued under the 10% Placement Facility) are exercised into Shares or other convertible securities are converted to Shares before the date of the issue of the Equity Securities.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the General Meeting.
- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Facility consists only of Shares.

- The Current Share Price is \$0.68 (sixty eight cents), being the closing price of the Shares on ASX on 17 October 2022.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

- (e) **Allocation Policy:** The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new businesses, assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new businesses, assets or investments (provided that the Equity Securities are issued for cash consideration).

- (f) **Equity Issues over the Last 12 Months:** The Company has not issued, or agreed to issue, any Equity Securities under Listing Rule 7.1A.2 in the 12 month period preceding the date of this Notice. Due to the forward looking nature of the approval, the allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing shareholders and/or new shareholders.
- (g) **Proposed issues of Equity Securities:** At the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2 and accordingly, no existing Shareholder's votes will be excluded and there is no voting exclusion for Resolution 4 in this Notice.

Board Recommendation

The Board believes that Resolution 4 is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of this Resolution. The Chairperson of the Meeting intends to vote undirected proxies in favour of this Resolution.

Resolution 5: Adoption of new Constitution

The Company's existing constitution was adopted in April 2021 (**Existing Constitution**). As there have been a number of developments in law, terminology and general corporate and commercial practices in relation to virtual meetings for ASX listed companies since the adoption of the Existing Constitution, the Company is proposing to adopt a new constitution (**New Constitution**) in substitution for, and to the exclusion of, the Existing Constitution, which is proposed to be repealed.

Notably, the *Corporations Act 2001* (Cth) (**Corporations Act**) was recently amended to enable, among other things, companies to use technology to hold general meetings, execute documents, and sign and distribute meeting-related documents. The amendments to the Corporations Act include provisions to:

- (a) allow shareholders to elect to receive certain documents in their preferred format, that is to say, to elect to receive certain documents electronically or to receive physical copies (or to elect not to be sent an annual report or certain other prescribed documents);
- (b) give companies the option to hold 'hybrid' general meetings and, if the constitution of a company allows, to hold general meetings using 'virtual meeting technology' (as that term is defined in the Corporations Act) only. In this respect, clause 33 of the New Constitution contemplates that general meetings of the Company may be held at one or more physical venues, at one or more physical venues and using 'virtual meeting technology' or using 'virtual meeting technology' only;
- (c) make it clear that shareholders, as a whole, must be given a reasonable opportunity to participate in general meetings, including by being given the opportunity to ask questions and make comments orally, including at a general meeting that is held using 'virtual meeting technology' only; and

- (d) require all substantive resolutions to be considered at general meetings to be determined by voting on a poll rather than by a show of hands.

The New Constitution is consistent with these recent amendments to the Corporations Act. Other proposed differences between the Existing Constitution and the New Constitution are administrative or ancillary to those amendments.

An overview of the material differences between the Existing Constitution and the New Constitution is set out below.

What are the material differences between the Existing Constitution and the New Constitution?

Electronic meetings, resolutions and notice provisions

Certain provisions in the Corporations Act relating to, among other things, the holding of general meetings and the means by which resolutions are required to be decided at general meetings, were amended earlier this year, pursuant to the *Corporations Amendment (Meetings and Documents) Act 2022* (Cth) (**Amending Act**).

In the context of the recent amendments to the Corporations Act, a number of clauses have been amended, removed or inserted (as applicable), to more closely align with the new legislative regime, including (with references to the clause numbering in the New Constitution):

- **(virtual meetings, including an express power to hold fully virtual meetings)** to permit a meeting of Shareholders being held at one or more physical venues, at one or more physical venues using 'virtual meeting technology' (as that term is defined in the Corporations Act), using virtual meeting technology only, or any other manner permitted by the Corporations Act (clauses 32 and 33) and clarify that a Shareholder will be deemed to be present by using the virtual meeting technology used for the meeting or lodging a direct vote in relation to the meeting (clause 2.6);
- **(Company to provide a reasonable opportunity to participate)** where the Company holds a meeting of Shareholders, the Company must give Shareholders entitled to attend the meeting, as a whole, a reasonable opportunity to participate in the meeting (clause 34);
- **(powers of the Chair)** to clarify the Chair's powers when conducting general meetings using virtual technology (clause 44);
- **(ancillary changes relating to virtual and hybrid meeting)** other ancillary changes, across a number of different clauses, to clarify that the provisions of the constitution which refers to a meeting of Shareholders applies equally to a meeting of Shareholders which is fully virtual or held as a hybrid of in person and virtual formats;
- **(directors' meetings)** change to facilitate the passing of written resolutions by Directors using electronic or mechanical means (clause 75); and
- **(provision of notice to Shareholders)** changes across a number of different clauses (including clauses 35 and 100) to clarify and modernise the process in relation to providing notice to Shareholders, simplifying administration and aligning with the recent changes to the Corporations Act (described above).

General meetings

In addition to the changes described above in relation to the way in which general meetings may be held (and the way in which resolutions considered at general meetings are to be decided), the New Constitution:

- incorporates a number of other changes to assist with the orderly conduct of general meetings and to permit 'direct' voting at a general meeting or class meeting (i.e. to permit Shareholders to directly vote at a general meeting or class meeting without attending in person, by proxy or representative); and
- provides clarity regarding the validity of votes and the ability for Shareholders to vote at general meetings.

Provisions relating to Directors

Clause 57.1 of the Existing Constitution requires that, at the close of each annual general meeting a number of Directors must retire from office, being the greatest of: the number determined by the Directors; the number

required for compliance with the ASX Listing Rules; or two. Consistent with the current ASX Listing Rules (and also generally consistent with clause 57.4 of the Existing Constitution), the New Constitution does not include this requirement and instead contemplates that no Director, who is not the 'Managing Director', may hold office for a continuous period in excess of three years or until the third annual general meeting following the Director's appointment or election, whichever is the longer, without submitting for re-election.

The New Constitution incorporates a number of changes that are intended to facilitate the efficient conduct of meetings of Directors (including by using appropriate 'virtual meeting technology') and the passing of resolutions by Directors (including written resolutions). More specifically (and without limitation), to provide the Directors with additional flexibility, under the New Constitution, the circumstances in which the Directors may pass resolutions without a board meeting being held have been expanded.

The New Constitution at clause 70.3 also clarifies the position in relation to Directors' interests and in relation to contracts and arrangements between the Company and a Director, or any company in which the Director may have any interest (including because that Director is a director of the other company).

Restricted securities

In certain circumstances, ASX Listing Rule 15.12 requires a listed company to include specific language in its constitution regarding 'restricted securities'. Clause 92 of the New Constitution has been updated for consistency with the requirements of ASX Listing Rule 15.12.

Notice

Clause 100 of the New Constitution, relating to the provision of notices to Shareholders, adopts a standard ASX listed company approach to shareholder notices, simplifies administration and is consistent with the recent changes to the Corporations Act (described above).

General updates

Certain provisions in the Existing Constitution which were outdated, or which restated provisions in the Corporations Act or requirements of the ASX Listing Rules, have been amended or removed to simplify the document and minimise the need for further updates, in the event of any legislative or regulatory changes in the future. In addition, the New Constitution adopts the terminology now contained in the Corporations Act, the ASX Listing Rules and ASX Settlement Operating Rules.

How to obtain a copy of the New Constitution

A copy of the New Constitution is available:

- (a) on the Company's website, <https://salterbrothersemergingcompanies.com.au/corporate-governance/>; and
- (b) by telephoning the Company Secretary, Mr Justin Mouchacca, on +61 3 8630 3321 and requesting a copy of the document (free of charge).

A copy of the new Constitution will also be available for inspection by shareholders at the AGM.

How must the New Constitution be approved?

The proposed Resolution for adoption of the new Constitution must be approved by a special resolution. A special resolution must be passed by at least 75 per cent of the votes cast by Shareholders entitled to vote on the Resolution.

Board Recommendation

The Board believes that Resolution 5 is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of this Resolution. The Chairperson of the Meeting intends to vote undirected proxies in favour of this Resolution.

GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“\$” means Australian Dollars;

“**Annual Report**” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect to the year ended 30 June 2022;

“**ASX**” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“**Auditor’s Report**” means the auditor’s report on the Financial Report;

“**AEDT**” means Australian Eastern Daylight Time.

“**Board**” means the Directors acting as the board of Directors of the Company;

“**Chairperson**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**Company**” means Salter Brothers Emerging Companies Limited ABN 96 646 715 111;

“**Constitution**” means the Constitution of the Company from time to time;

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

“**Director**” means a director of the Company;

“**Directors’ Report**” means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Equity Security**” has the same meaning as in the Listing Rules;

“**Existing Constitution**” means the Constitution of the Company as at the date of this Notice;

“**Explanatory Statement**” means the explanatory statement which forms part of the Notice;

“**Financial Report**” means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**General Meeting**” or “**Meeting**” has the meaning given in the introductory paragraph of the Notice;

“**Listing Rules**” means the Listing Rules of the ASX;

“**New Constitution**” means the proposed new constitution for the Company, which is proposed to be adopted in accordance with Resolution 5, in substitution for, and to the exclusion of, the Existing Constitution;

“**Notice**” means the Notice of Meeting accompanying this Explanatory Statement;

“**Option**” means an option to acquire a Share;

“**Proxy Form**” means the proxy form attached to the Notice;

“**Remuneration Report**” means the remuneration report which forms part of the Directors’ Report of the Company for the financial year ended 30 June 2022 and which is set out in the Annual Report;

“**Resolution**” means a resolution referred to in the Notice;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Shareholder**” means shareholder of the Company; and

“**VWAP**” means volume weighted average price.



**SALTER
BROTHERS**

EMERGING COMPANIES LIMITED
ACN 646 715 111



SB2

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

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11.00am (AEDT) Wednesday, 16 November 2022.**

Proxy Form

How to Vote on Items of Business

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

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

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

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

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

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

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

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



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

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

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

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



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Salter Brothers Emerging Companies Limited hereby appoint

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairperson of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Salter Brothers Emerging Companies Limited to be held at the Intercontinental Hotel, 495 Collins Street, Melbourne VIC 3000 on Friday, 18 November 2022 at 11.00am (AEDT) and at any adjournment or postponement of that meeting.

Chairperson authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairperson of the Meeting as my/our proxy (or the Chairperson becomes my/our proxy by default), I/we expressly authorise the Chairperson to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention in step 2) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairperson.

Important Note: If the Chairperson of the Meeting is (or becomes) your proxy you can direct the Chairperson to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2.

Step 2 Items of Business

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

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Robert Salter as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Mr Marcos Marcou as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Adoption of new Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairperson of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

SB 2

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Computershare

