

**ASX RELEASE**

27 October 2023

## Notice of the 2023 Annual General Meeting

Envirosuite Limited (**ASX: EVS**) (**Envirosuite** or **the Company**) advises that its Annual General Meeting for 2023 will be held at the office of Wilsons Advisory, Level 12, 8 Exhibition Street, Melbourne on Wednesday, 29 November 2023 at 2.00pm (AEDT). Attached are copies of the following documents in relation to the Meeting:

- Notice of 2023 Annual General Meeting
- Proxy Form (a personalised proxy form will be sent to each shareholder)

Authorised for release by the Board of Envirosuite Limited.

For further information contact:

Adam Gallagher

Company Secretary

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**ABOUT ENVIROSUITE**

Envirosuite (ASX: EVS) is a global leader in environmental intelligence and is a trusted partner to the world's leading industry operators in aviation, mining & industrial, waste and water.

Envirosuite combines leading-edge science and innovative technology with industry expertise to produce predictable and actionable insights, that allows customers to optimise their operations, remain compliant and manage their environmental impact.

By harnessing the power of environmental intelligence, Envirosuite helps industries grow sustainably and communities to thrive.

[www.envirosuite.com](http://www.envirosuite.com)

**ENVIROSUITE LIMITED  
ACN 122 919 948**

**NOTICE OF ANNUAL GENERAL MEETING  
AND EXPLANATORY STATEMENT**

Date of Meeting:	Wednesday, 29 November 2023
Time of Meeting:	2.00pm (AEDT)
Place of Meeting:	The office of Wilsons Advisory, Level 12, 8 Exhibition Street, Melbourne VIC

This Notice of Annual General Meeting should be read in its entirety. If you are in doubt as to how to vote at the meeting you should seek advice from your accountant, solicitor or other professional adviser before voting.

**ENVIROSUITE LIMITED**  
**ACN 122 919 948**

**NOTICE OF ANNUAL GENERAL MEETING**

**PART A – AGENDA**

The 2023 Annual General Meeting ("**Meeting**") of Envirosuite Limited (the "**Company**") will be held at the office of Wilsons Advisory, Level 12, 8 Exhibition Street, Melbourne VIC on Wednesday, 29 November 2023 at 2.00pm (AEDT).

The Company's 2023 Annual Report can be accessed via the Company's website at:

<https://envirosuite.com/company/investors>

Terms used throughout this document are defined in Part D.

**ORDINARY BUSINESS**

**1. CONSIDERATION OF REPORTS**

To receive and consider the Financial Report, Directors' Report and Independent Audit Report for the Company for the financial year ended 30 June 2023.

**2. QUESTIONS AND COMMENTS**

2.1 Shareholders will be given a reasonable opportunity to:

- (a) ask questions about or comment on the management of the Company; and
- (b) ask the Auditor's representative questions relevant to the Auditor's audit of the Financial Report.

2.2 The Auditor's representative will also be given a reasonable opportunity to answer any written questions submitted to the Auditor prior to the Meeting in accordance with the Corporations Act.

**3. RESOLUTION 1 - REMUNERATION REPORT ADOPTION**

To consider and, if thought fit, pass, with or without amendment, the following resolution, in accordance with section 250R(2) of the Corporations Act, as an **ordinary resolution**:

*"That the Remuneration Report for the year ended 30 June 2023 be adopted."*

The vote on this Resolution 1 is advisory only and does not bind the Directors or the Company.

**Voting restriction pursuant to section 250R(4) of the Corporations Act**

A vote on this Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

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

However, the above persons may cast a vote on Resolution 1 if:

- the person does so as a proxy; and

- the vote is not cast on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member; and
- either:
  - the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
  - the voter is the Chairman of the Meeting and the appointment of the Chairman as proxy:
    - does not specify the way the proxy is to vote on the Resolution; and
    - expressly authorises the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

In accordance with section 250R(8) of the Corporations Act, a vote cast in contravention of section 250R(4) of the Corporations Act will not be counted

#### **Voting Intentions of the Chairman**

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 1, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his voting intention on any Resolution, in which case an ASX announcement will be made.

Further details, in relation to the ability of the Chairman to vote on undirected proxies are set out in the accompanying proxy form.

#### **4. RESOLUTION 2 – RE-ELECTION OF MR. DAVID JOHNSTONE AS DIRECTOR**

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

*"That Mr. David Johnstone, who retires in accordance with rule 16.1 of the Company's constitution and Listing Rule 14.4 and, being eligible, offers himself for election, is re-elected as a director of the Company with effect from the end of the Meeting."*

#### **5. RESOLUTION 3 – ELECTION OF MR. COLBY MANWARING AS DIRECTOR**

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

*"That Mr. Colby Manwaring, who was appointed a director of the Company by the Directors on 1 September 2023, retires in accordance with rule 13.2 of the Constitution and Listing Rule 14.4 and, being eligible, offers himself for election, is elected as a director of the Company with effect from the end of the Meeting."*

#### **6. RESOLUTION 4 – APPROVAL OF OPTIONS TO MR. COLBY MANWARING (OR HIS NOMINEE) UNDER THE COMPANY'S EQUITY INCENTIVE PLAN**

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 10.14, Listing Rule 7.2 (Exception 14) and for all other purposes, shareholders approve the issue of up to 2,000,000 options to subscribe for fully paid ordinary shares exercisable at \$0.20 and expiring on the date which is three years from the date of issue to Mr. Colby Manwaring (or his nominee) (**Director Options**) and the issue of underlying Shares in*

respect of the Director Options in lieu of additional cash remuneration, under the terms and conditions of the Company's Equity Incentive Plan as described in the Explanatory Statement which accompanies and forms part of this Notice."

#### **Voting exclusion statement pursuant to Listing Rule 10.14**

The Company will disregard any votes on Resolution 4:

- a person referred to in listing rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Equity Incentive Plan; or
- an associate of that person or those persons.

However, this does not apply to a vote if it is cast in favour of Resolution 4 by:

- a person as 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
- the person chairing the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with an express authority in the proxy form to vote undirected proxies as the Chairman sees fit even though Resolution 4 is connected with the remuneration of a member of the Key Management Personnel; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **Proxy Appointment Restriction**

As Resolution 4 is connected directly or indirectly with the remuneration of a member of Key Management Personnel (KMP) for the Company, pursuant to section 250BD of the Corporations Act, the Company will disregard any votes cast on Resolution 4 by a member of the Key Management Personnel of the Company or their Closely Related Parties who has been appointed as a proxy unless:

- the appointed proxy votes for a person who is permitted to vote and in accordance with a direction on the proxy form (directed proxy); or
- the appointed proxy is the Chairman of the Meeting and the appointment of the Chairman as proxy:
  - does not specify the way the proxy is to vote on the Resolution; and
  - expressly authorises the Chairman of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

#### **Voting Intention of Chair**

Shareholders should be aware that any undirected proxies given to the Chairman of the Meeting will be cast by the Chairman of the Meeting and counted in favour of Resolution 4 subject to compliance with the *Corporations Act 2001* (Cth) (**Corporations Act**). In exceptional circumstances, the Chairman of the Meeting may change his voting intention on Resolution 4, in which case an ASX announcement will be made.

## **SPECIAL BUSINESS**

### **7. RESOLUTION 5 – RENEWAL OF PROPORTIONAL TAKEOVER APPROVAL PROVISIONS**

To consider and, if thought fit, pass the following Resolution, with or without amendment, as a Special Resolution:

*"That, for the purposes of sections 136(2) and 648G of the Corporations Act 2001 (Cth), and for all other purposes, the Constitution of the Company be amended by re-inserting the proportional takeover provisions contained in the attached Explanatory Memorandum into the Constitution as Rule 27, with effect from the close of the meeting for a period of three years."*

## **GENERAL BUSINESS**

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

### **BY ORDER OF THE BOARD ENVIROSUITE LIMITED**

Adam Gallagher  
Company Secretary  
27 October 2023

## **PART B – EXPLANATORY STATEMENT**

This Explanatory Statement forms part of the notice convening the Company's Annual General Meeting to be held on Wednesday, 29 November 2023.

The purpose of this Explanatory Statement is to assist Shareholders in understanding the background to and implications of the resolutions proposed at, and procedural matters concerning the Meeting.

Terms used in this Explanatory Statement are defined in Part D.

### **1. AGENDA ITEM 1 – CONSIDERATION OF REPORTS**

- 1.1 The Financial Report, the Directors' Report and the Independent Audit Report for the financial year ended 30 June 2023 will be presented for consideration.
- 1.2 The abovementioned reports are contained in the Company's Annual Report and were released to the ASX on 22 August 2023. The Annual Report can be accessed via the Company's website at: <https://envirosuite.com/company/investors>
- 1.3 Shareholders are not required to vote on the reports however Shareholders will be given a reasonable opportunity to ask questions concerning the reports.

### **2. AGENDA ITEM 2 – QUESTIONS AND COMMENTS**

- 2.1 Shareholders are encouraged to submit any questions and comments prior to the Meeting through the options set out in 2.4 below.
- 2.2 A representative of the Auditor will attend the Meeting. The Chairman will give Shareholders a reasonable opportunity to ask the Auditor's representative questions relevant to:
  - (a) the conduct of the audit;
  - (b) the preparation and content of the Auditor's report;
  - (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
  - (d) the independence of the Auditor in relation to the conduct of the audit.
- 2.3 Shareholders that wish to submit a question to the Company's management or auditor, ahead of the Meeting, must provide the question to the Company no later than 5:00pm (AEDT) on Wednesday, 22 November 2023.
- 2.4 Submissions including questions should be marked "Attention: The Company Secretary, Envirosuite Limited", and directed to the Company's share registry service provider, Boardroom Limited, either online, by delivery or by post to one of the addresses designated in Part C of this Explanatory Statement. For Shareholders submitting a proxy form, questions may be posed together with the proxy form, provided it is received by 5:00pm (AEDT) on 27 November 2023.
- 2.5 Shareholders who wish to ask questions during the Meeting, will be given the opportunity to do so. The Chairman will invite questions and comments on each of the resolutions put to shareholders at the Meeting.

### 3. AGENDA ITEM 3 – RESOLUTION 1: REMUNERATION REPORT ADOPTION

#### Background

- 3.1 The Remuneration Report is contained in the Company's 2023 Annual Report commencing on page 43. The Remuneration Report's contents include:
- (a) an explanation of the Board's policy for remuneration of the Key Management Personnel; and
  - (b) details of remuneration paid to the Key Management Personnel.
- 3.2 Under section 250R(2) of the Corporations Act, a resolution that the Remuneration Report be adopted must be put to a vote of shareholders at the Company's Annual General Meeting.
- 3.3 The Chairman will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

#### Requirement for Shareholder approval

- 3.4 The vote on Resolution 1 is advisory only and does not bind the Company or the Company's Directors.
- 3.5 If Resolution 1 is not passed, the Directors are not obliged to alter any of the arrangements specified in the Remuneration Report. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.
- 3.6 If, at the Meeting, more than 25% of Shareholders vote *against* the adoption of the Remuneration Report contained in the Company's 2023 Annual Report, the first part of the Board spill provisions contained in the Corporations Act ("two strikes rule") will be triggered ("25% No Vote").
- 3.7 While this will not impact the adoption of the Remuneration Report at the current year's Meeting, the implications of the 25% No Vote is that, if, at next year's annual general meeting, the Remuneration Report for that year again receives a 25% No Vote, the Company will be required to put a resolution to Shareholders to vote on whether to hold another general meeting within 90 days of that annual general meeting at which all of the Directors of the Company at that time (other than the Managing Director) must stand for re-election.
- 3.8 At the 2022 Annual General Meeting less than 25% of the votes cast were voted against adoption of the Remuneration Report included in the 2022 Annual Report.

#### Voting exclusion statement

- 3.9 As set out in the notes to Resolution 1, a voting restriction statement applies with respect to the voting on this Resolution by members of the Key Management Personnel and their Closely Related Parties and their proxies voting (in any capacity) (**Voting Restriction**). Key Management Personnel has the definition given in Accounting Standards AASB 124 Related Party Disclosure as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.
- 3.10 Details of the restrictions on members of KMP and their Closely Related Parties and their proxies voting (in any capacity) are set out in the voting restriction statement included in Resolution 1 of the Notice of Meeting.
- 3.11 The Voting Restrictions, which is set out in section 250R(4) of the Corporations Act, provides that a vote must not be cast (in any capacity) on Resolution 1 by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report or a Closely Related Party of such a person.



- 3.12 However, section 250R(5) of the Corporations Act provides that a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report or a Closely Related Party of such a person (each “**the Voter**”) may cast a vote on Resolution 1 as a proxy if the vote is not cast 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 a person and either:
- (a) the Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
  - (b) the Voter is the chair of the meeting and the appointment of the chair as proxy:
    - (i) does not specify the way the proxy is to vote on the resolution; and
    - (ii) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
- 3.13 In accordance with section 250R(8) of the Corporations Act, a vote cast in contravention of section 250R(4) of the Corporations Act will not be counted.
- 3.14 Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including this Resolution 1, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

#### **4. AGENDA ITEM 4 – RESOLUTION 2: RE-ELECTION OF MR. DAVID JOHNSTONE AS DIRECTOR**

##### **Background**

- 4.1 Mr. Johnstone was appointed to the Board on 10 February 2014 and was last re-elected as a Director at the 2020 Annual General Meeting. In accordance with rule 16.1 of the Company's constitution and Listing Rule 14.4, Mr. Johnstone retires by rotation at the close of the Annual General Meeting and, being eligible, offers himself for re-election as a director of the Company.
- 4.2 Mr. Johnstone is an experienced executive and chair who has been actively involved in business for more than 35 years, successfully starting, owning and operating a vast range of businesses. As noted above, Mr. Johnstone joined the Board as a non-executive Director in February 2014 and was subsequently appointed Chair in September 2016.
- 4.3 Per the announcement released 29 May 2023, Mr. Johnstone has advised his intention to step down from the role of Chairman at or by the 2023 Annual General Meeting, subject to a suitable successor joining the board. The Board, supported by the Remuneration and Nomination Committee, has been actively assessing Director candidates with a view to identifying a successor to the Chair role. The Board (with Mr. Johnstone abstaining from the discussions) are of the view that Mr. Johnstone should remain as Chair until a new or existing director of the Company who has the appropriate experience, skills and time commitment and is prepared to accept and is appointed to the role. Mr. Johnstone has accepted the Board's position and, with the support of shareholders for his re-election as Director, will continue to serve as Chair until a successor is appointed.
- 4.4 Mr. Johnstone is a member of the Company's Audit and Risk Management Committee and Remuneration and Nomination Committee. The Board considers Mr. Johnstone to be an independent director.

##### **Recommendation of Directors**

- 4.5 The Directors believe that Mr. Johnstone's experience and skills can continue to make a valuable contribution to the Company, and all of the Directors (with Mr. Johnstone abstaining) recommends that Shareholders vote in favour of this Ordinary Resolution 2.

## **5. AGENDA ITEM 5 – RESOLUTION 3: ELECTION OF MR. COLBY MANWARING AS DIRECTOR**

### **Background**

- 5.1 Mr. Colby Manwaring was appointed by the Company's Directors as a Director of the Company effective 1 September 2023 pursuant to rule 13.2 of the Company's constitution. Rule 13.2 allows the Company's directors to appoint a person as director to fill a vacancy or as an addition to the Board, on the basis that the Director will hold office until the next Annual General Meeting where the Director will be eligible for election.
- 5.2 Mr. Manwaring has had an executive and entrepreneurial career in water and environmental software, covering nearly all aspects of the industry, including software development, sales and marketing, professional technical training, strategic business planning and execution, mergers and acquisitions, and strategic alliances. His most recent roles include CEO of Innovyze, the leading global provider of smart water analytics software solutions, and Vice President of Autodesk, the global leader of engineering design and make software solutions.
- 5.3 Mr. Manwaring is a licensed Professional Engineer who learned his trade in the US but perfected his craft around the world, with executive and board member roles in Australia, UK, Spain and several USA locations. He holds a Bachelor and Masters in Civil and Environmental Engineering, with a Spanish Minor and International Emphasis from Brigham Young University, as well as a Minor of Engineering Business Administration from the Brigham Young University Marriot School of Management.
- 5.4 Prior to appointing Mr. Manwaring as a director, the Envirosuite Board conducted appropriate checks into Mr. Manwaring's background and experience. No concerning information was revealed through such checks. The Board considers Mr Manwaring to be an independent director.

### **Recommendation of Directors**

- 5.5 The Directors believe that Mr. Manwaring's experience and skills can offer an additional contribution to the Company at the board level, and all of the Directors (with Mr. Manwaring abstaining) unanimously recommend that shareholders vote in favour of this Ordinary Resolution 3.

## **6. AGENDA ITEM 6 – RESOLUTION 4: APPROVAL OF OPTIONS TO MR. COLBY MANWARING (OR HIS NOMINEE) UNDER THE COMPANY'S EQUITY INCENTIVE PLAN**

### **Background**

- 6.1 The Company has established an employee incentive plan, known as the Envirosuite Equity Plan, under which employees may be issued shares in the Company. The purpose of the Envirosuite Equity Plan is to:
- (a) reward employees for their contributions to the Company's success;
  - (b) align the interests of employees with the long-term interests of the Company and its shareholders; and
  - (c) help employees build an ownership stake in the Company.
- 6.2 The Envirosuite Equity Plan was last approved by Shareholders at the 2020 annual general meeting.
- 6.3 Resolution 4 seeks Shareholder approval, pursuant to Listing Rule 10.14, for the issue of 2,000,000 options to Mr. Colby Manwaring (or his nominee), in lieu of additional cash remuneration, exercisable at \$0.20 and expiring on the date which is three years from the date of issue and under the Terms and Conditions set out in the Annexure A (**Director Options**).

- 6.4 Consistent with past appointments of other non-executive Directors, the Company intends to issue the Director Options to Mr. Manwaring as an equity component to his role as Director in lieu of additional cash remuneration.
- 6.5 Approval for the issue of the Director Options is sought in accordance with the provisions of Listing Rule 10.14. As approval is being sought under Listing Rule 10.14, approval will not be required under Listing Rule 7.1.
- 6.6 Further, the Company must also observe the requirements of Chapter 2E of the Corporations Act in order to grant the Director Options (discussed below).

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

- 6.7 Chapter 2E of the Corporations Act prohibits a public company from giving a Financial Benefit to a Related Party of a public company unless either:
- (a) the giving of the financial benefit falls within one of the exceptions to the provisions; or
  - (b) prior Shareholder approval is obtained to the giving of the financial benefit.
- 6.8 A "Related Party" is defined widely in section 228 of the Corporations Act and includes, relevantly, a director (or proposed director) of a public company, any entity that controls (or is reasonably likely to control) a public company, and any entity that is controlled by a person or entity which is otherwise a Related Party, or there are reasonable grounds to believe that a person/entity is likely to become a Related Party of the public company.
- 6.9 A "Financial Benefit" for the purposes of the Corporations Act has a very wide meaning. It includes the public company paying money or issuing securities to the Related Party. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and effect of what the public company is doing (rather than just the legal form). Any consideration which is given for the financial benefit is to be disregarded, even if it is full or adequate.
- 6.10 The proposed Resolution 4, if passed, will confer a Financial Benefit to Mr. Manwaring (who is a Related Party of the Company).
- 6.11 However, it is the view of the Directors that the issue of the Director Options to Mr. Manwaring falls within the exception set out in Section 211 of the Corporations Act, which provides that Shareholder approval is not required where a Financial Benefit is given to a Related Party as reasonable remuneration for the Related Party's role as an officer or employee of the company.
- 6.12 The Directors consider that the issue of the Director Options is reasonable remuneration for Mr. Manwaring's performance of his role as Director of the Company and, accordingly, the Company is not seeking Shareholder approval for Resolution 4 for the purposes of Chapter 2E of the Corporations Act.

#### **Why is shareholder approval being sought?**

- 6.13 Listing Rule 10.11 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities to:
- (a) **10.11.1:** a related party;
  - (b) **10.11.2:** a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
  - (c) **10.11.3:** a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;

- (d) **10.11.4:** an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (e) **10.11.5:** a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains shareholder approval.

- 6.14 As Mr. Manwaring is a related party of the Company, the issue of the Director Options will be restricted in accordance with Listing Rule 10.11 unless one of the exceptions within Listing Rule 10.12 applies.
- 6.15 Listing Rule 10.12 (Exception 8) provides that Listing Rule 10.11 does not apply to an issue of Equity Securities under an employee incentive scheme which was made with the approval of the holders of the entity's ordinary securities under Listing Rule 10.14.

#### **Listing Rule 10.14 and Listing Rule 7.2 Exception 14**

- 6.16 Listing Rule 10.14 provides that the Company must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:
  - (a) **10.14.1:** a director of the Company;
  - (b) **10.14.2:** an associate of a director of the Company; or
  - (c) **10.14.3:** a person whose relationship with the Company 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.
- 6.17 As the Director Options are proposed to be issued to Mr. Manwaring, who is a director of the Company, under the Company's Equity Incentive Share Plan, the issue of the Remuneration Shares will fall within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.
- 6.18 Resolution 4 therefore seeks the required Shareholder approval for the issue of the Director Options to Mr. Manwaring under the Equity Incentive Plan for the purposes of Listing Rule 10.14.

#### **Listing Rule 7.1**

- 6.19 Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period (**15% Capacity**).
- 6.20 However, Listing Rule 7.2 (Exception 14) provides that where an issue of securities is approved by Shareholders for the purposes of Listing Rule 10.14, then those securities will be excluded from the calculation of the Company's usage of its 15% Capacity.
- 6.21 Further, Listing Rule 7.2 (Exception 9) provides that any Shares issued as a result of the exercise of the Director Options will be excluded from the calculation of the Company's usage of its 15% Capacity provided that the Company complied with the listing rules at the time of issuing the Director Options.
- 6.22 Accordingly, since the Company is seeking Shareholder approval under Resolution 4 to issue the Director Options in accordance with Listing Rule 10.14, the issue of the Director Options will also fall within the exceptions set out in Listing Rule 7.2 such that:
  - (a) the issue of the Director Options will be excluded from the calculation of the Company's usage of its 15% Capacity in accordance with Listing Rule 7.2 (Exception 14); and

- (b) the issue of any resulting Shares issued on exercise of the Director Options will be excluded from the calculation of the Company's usage of its 15% Capacity in accordance with Listing Rule (Exception 9).

6.23 On this basis, and for the reasons set out above regarding Listing Rule 10.12 (Exception 8), the Board is not seeking Shareholder approval for the issue of the Director Options under Listing Rule 10.11 or under Listing Rule 7.1.

#### **Effect of Shareholder approval**

6.24 If Resolution 4 is passed, the Company will be able to issue the Director Options and such issue will not utilise any of the Company's 15% Capacity (pursuant to Exception 14 under Listing Rule 7.2) nor will the resulting Shares issued upon exercise of those Director Options (pursuant to Exception 9 under Listing Rule 7.2).

6.25 If Resolution 4 is not passed, then the Company will not issue the Director Options. The Company may offer additional cash remuneration to Mr. Manwaring in lieu of the Director Options, which will impact on the Company's available cash reserves.

#### **Requirements of Listing Rule 10.15**

6.26 It is a requirement of Listing Rule 10.15, that a listed entity seeking Shareholder approval under Listing Rule 10.14 provides the Shareholders with the following information:

##### ***Listing Rule 10.15.1 – The name of the person***

6.27 The name of the person is Mr. Manwaring (or his nominee).

##### ***Listing Rule 10.15.2 – Which category in rules 10.14.1 – 10.14.3 the person falls into and why***

6.28 As a Director of the Company, Mr. Manwaring falls into category 10.14.1.

##### ***Listing Rule 10.15.3 – The number and class of securities proposed to be issued to the person under the scheme for which approval is being sought.***

6.29 The Company intends to issue 2,000,000 options to subscribe for fully paid ordinary shares in the Company under the Terms and Conditions set out in Annexure A.

##### ***Listing Rule 10.15.4 – If the person is a director and therefore a related party under rule 10.11.1 and the issue is intended to remunerate or incentivise the director, details (including the amount) of the director's current total remuneration package.***

6.30 As at the date of this Notice, Mr. Manwaring's remuneration is \$80,000 year (inclusive of statutory superannuation and net of any applicable GST) for his base non-executive director. Mr. Manwaring is not currently a member of any of the board committees, and as such, he is only entitled to receive the base non-executive director fee.

##### ***Listing Rule 10.15.5 – The number of securities that have previously been issued to the person under the scheme and the average acquisition price (if any) paid by the person for those securities.***

6.31 No securities have previously been issued to Mr. Manwaring.

##### ***Rule 10.15.6 – If the securities are not fully paid ordinary securities: a summary of the material terms of the securities; an explanation as to why that type of security is being used; and the value the entity attributes to that security and its basis.***

##### ***Summary of material terms***

6.32 The Terms and Conditions pursuant to which the Director Options will be issued is set out in Annexure A to this Explanatory Memorandum.

#### *Reasons for issuing Director Options*

- 6.33 The purpose of issuing the Director Options is to retain and incentivise Mr. Manwaring and to align his personal interests with those of shareholders. The Board considers that Mr. Manwaring's executive experience and efforts will be of significant benefit to the Company as it continues to grow.
- 6.34 The Board believes the grant of Director Options to Mr. Manwaring is reasonable in the circumstances for the reasons set out below:
- the grant of the Director Options is 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. Manwaring; and
  - it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Options upon the terms proposed.
  - The Director Options are intended to be a one-off issue and no further issues of options are planned for Mr. Manwaring at this time.

#### **Value of the Director Options**

- 6.35 The value of the Director Options using a Black Scholes methodology is set out as follows:

<b>Details</b>	<b>Input</b>
Share price (11 Oct 2023)	\$0.057
Exercise price	\$0.20
Risk Free Rate (Current 3 month BBSY at 11 Oct 2023)	4.014%
Volatility (Annualised)	100%
Term	3 years
<b>Value per Option</b>	<b>\$0.022</b>

Based on the above calculation the value of the Director Options is \$44,000 (\$0.022 x 2,000,000).

#### ***Listing Rule 10.15.7 – The date or dates on or by which the entity will issue the securities***

- 6.36 The Director Options are expected to be issued in a single tranche immediately after the Meeting and, in any event, not later than one month after the date of the Meeting.

#### ***Listing Rule 10.15.8 – The price at which the entity will issue the securities to the person under the scheme.***

- 6.37 The Director Options will be granted for nil cash consideration and, accordingly, no funds will be raised from the issue of the Director Options. However, the Director Options will be exercisable at \$0.20. If all of the Director Options are exercised, the Company will raise \$400,000 (\$0.20 x 2,000,000).

#### ***Listing Rule 10.15.9 – A summary of the material terms of the scheme.***

- 6.38 The Director Options will be issued under the Terms and Conditions which is attached at Annexure A and forms part of this Notice of Meeting.

#### ***Listing Rule 10.15.10 – A summary of the material terms of any loan that will be made to the person in relation to the acquisition***

- 6.39 The Director Options will be issued for nil consideration. No loan will be made to Mr. Manwaring in relation to the acquisition of the Director Options.

**Listing Rule 10.15.11 statement:**

- 6.40 Details of any securities issued under the Terms and Conditions set out under Annexure A will be published in the Annual Report 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.
- 6.41 Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the issue of securities under the Terms and Conditions set out under Annexure A who are not named in this Notice will not participate until approval is obtained for those persons under Listing Rule 10.14.

**Voting exclusion statement**

- 6.42 A voting exclusion statement is set out above in Part A (Notice of Meeting).

**Directors' Recommendation**

- 6.43 All of the Directors unanimously recommend (with Mr. Manwaring abstaining), for the reasons given above, that Shareholders vote in favour of Resolution 4.

**7. AGENDA ITEM 8: RESOLUTION 5 – RENEWAL OF PROPORTIONAL TAKEOVER APPROVAL PROVISIONS**

**Background**

- 7.1 Under the Corporations Act, a company may include provisions in its constitution to enable it to refuse to register shares acquired under a proportional takeover bid unless a resolution approving the bid is passed by the shareholders.
- 7.2 Proportional takeover approval provisions are contained in rule 27 of the Company's existing Constitution. However, under the Corporations Act these provisions must be renewed every three years, or they will cease to have effect.
- 7.3 The provisions set out in rule 27 of the Constitution have not been renewed in the three years preceding the date of the Meeting. Accordingly, these provisions have ceased to apply by operation of section 648G(1)(a) of the Corporations Act and, further, rule 27 has been deemed to be omitted from the Constitution under section 648G(3) of the Corporations Act.
- 7.4 It is proposed that the provisions are re-inserted into the Company's Constitution in their previous form at rule 27. The takeover provisions which are proposed to be re-inserted under this Resolution are attached to this Explanatory Memorandum as Annexure B.
- 7.5 A copy of the Company's Constitution is available on the Company's website at [www.envirosuite.com/company/investors](http://www.envirosuite.com/company/investors)
- 7.6 If Resolution 5 is approved, these provisions will have effect for a further 3 years. The Board considers it in the interests of shareholders to renew these provisions in the Constitution.

**Statements under the Corporations Act**

- 7.7 Where the approval of shareholders is sought to insert or renew proportional takeover provisions in a constitution, the Corporations Act requires certain information to be included in the notice of meeting. That information is set out below.
- 7.8 *Proportional takeover bid*
- (a) A proportional takeover bid is where an offer is made to each Shareholder to buy a proportion of that Shareholder's shares in the Company, and not the Shareholder's entire shareholding. This means that control of the Company may pass without members having the chance to sell all of their Shares to the bidder. Shareholders may



therefore be exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium for their Shares.

- (b) In order to deal with this possibility, section 648D of the Corporations Act provides that a company may include in its constitution a provision that enables it to refuse to register the transfer of shares acquired under a proportional takeover bid unless the bid is approved at a general meeting of the company.
- (c) The proposed proportional takeover provisions decrease this risk because they allow shareholders to decide whether a proportional takeover bid is acceptable and should be permitted to proceed.
- (d) The Directors consider that Shareholders should be able to vote on whether a proportional takeover bid ought to proceed given such a bid might otherwise allow control of the Company to change without Shareholders being given the opportunity to dispose of all of their Shares for a satisfactory control premium. The Directors also believe that the right to vote on a proportional takeover bid may avoid Shareholders feeling pressure to accept the bid even if they do not want it to succeed.

#### 7.9 *Effect of the proportional takeover approval provisions*

- (a) If Resolution 5 is approved, rule 27 of the Constitution would be re-inserted and become effective as and from approval. This would require that any proportional takeover bid be approved at a general meeting of the class of members the subject of the bid.
- (b) If a proportional takeover bid is made, the Directors must ensure that a resolution of shareholders to approve the takeover bid is voted on, in general, more than 14 days before the last day of the bid period. The vote is decided on a simple majority and each person (other than the bidder and their associates) who, as at the end of the day on which the first offer under the bid was made, held bid class securities, is entitled to vote. If the resolution is not passed, transfers giving effect to takeover contracts for the bid will not be registered and the offer will be taken to have been withdrawn. If the resolution is not voted on, the bid will be taken to have been approved.
- (c) If the bid is approved (or taken to have been approved), the transfers must be registered (provided they comply with other provisions of the Corporations Act and the Constitution).
- (d) The proportional takeover approval provisions do not apply to full takeover bids and will only apply until 3 years after the date of re-adoption. The provisions may be renewed for a further term, but only by a special resolution of shareholders.

#### 7.10 *Potential advantages and disadvantages*

##### (a) Potential advantages

The insertion of the proportional takeover approval provisions will allow the Directors to ascertain members' views on a proportional takeover bid, it does not otherwise offer any advantage or disadvantage to the Directors who remain free to make their own recommendation as to whether the bid should be accepted.

The potential advantages for shareholders of the proportional takeover provisions in rule 27 include:

- (i) shareholders have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed which will:
- (ii) help shareholders to avoid being locked in as a minority by giving them an element of control over any proportional takeover process; and



- (iii) increase shareholders' bargaining power; and
  - (iv) may assist in ensuring that a potential bidder structures its offer in a way which is attractive to a majority of members, including by using appropriate pricing; and
  - (v) knowing the view of the majority of shareholders may help each individual shareholder assess the likely outcome of the proportional takeover bid and decide whether to accept or reject an offer under the bid.
- (b) *Potential disadvantages*

However, it may be argued that the inclusion of such provisions in the Constitution make a proportional takeover bid more difficult to achieve which may have the effect of discouraging proportional takeover bids. This may, in turn, potentially reduce opportunities for shareholders to sell some of their shares at an attractive price to persons seeking to secure control of the Company and may reduce an element of takeover speculation from the Company's share price, although this effect may be negligible as proportional takeover bids are less common today than they have been in the past.

It may also result in Shareholders losing the opportunity to sell some of their Shares at a premium under a proportional takeover bid and may reduce the likelihood of a proportional takeover bid being successful. The inclusion of the provisions may also be considered to constitute an additional restriction of the ability of members to freely deal with their Shares.

- (c) On balance, the Board considers that the potential advantages for members of the proportional takeover approval provisions outweigh the potential disadvantages.
- (d) Re-inserting the proportional takeover approval provisions in the Constitution will not confer any particular advantages or disadvantages on the Directors in their capacity as Directors of the Company. The Directors therefore consider that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

#### 7.11 *Review of proportional takeover provisions*

While proportional takeover approval provisions have been in force under the Company's Constitution, there have been no full or proportional takeover bids for the Company. Therefore, there is no example against which to review the advantages or disadvantages of the provisions for the Directors and the shareholders. The Directors are not aware of any potential takeover that has been discouraged by rule 27 of the Company's Constitution.

#### 7.12 *Existing proposals*

As at the date on which this Notice and Explanatory Memorandum was prepared, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

#### **Board recommendation**

- 7.13 The Directors unanimously recommend that shareholders vote in favour of this resolution. The Chairman intends to vote any undirected proxies held by him in favour of this Resolution 5.

## **PART C – VOTING NOTES**

### **1. VOTING RIGHTS**

The Board has determined that all of the shares of the Company will be taken, for the purposes of determining the rights of Shareholders to attend and vote at the Meeting, to be held by the persons who are registered in the Company's register of shareholders at 7:00pm (AEDT) on 27 November 2023 as the owners of those shares. Therefore, transfers registered after that time will be disregarded in determining shareholders entitled to attend and vote at the Meeting.

### **2. HOW WILL VOTING BE CONDUCTED**

- 2.1 The Chairman of the Meeting will call a poll on each of the resolutions provided in this Notice of Meeting.
- 2.2 Shareholders are encouraged to lodge a proxy by 2.00pm (AEDT) 27 November 2023, even if they plan to attend the Meeting.

### **3. PROXIES**

- 3.1 A Shareholder entitled to attend and vote at the Meeting may appoint one proxy if the Shareholder is only entitled to one vote at the Meeting.
- 3.2 A Shareholder who is entitled to attend and cast two or more votes, may appoint up to two proxies. Each proxy will have the right to vote on a poll and to speak at the Meeting.
- 3.3 A Shareholder may appoint an individual person or a body corporate as the Shareholder's proxy. A proxy need not be a Shareholder.
- 3.4 A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body corporate may exercise as a proxy at the Meeting.
- 3.5 A Shareholder who appoints two proxies may state on the proxy form what proportion or number of the Shareholder's votes the proxy may exercise. If a Shareholder appoints two proxies and does not specify the number or proportion of votes each proxy may exercise, each of the proxies may exercise half of the Shareholder's votes. Fractions of votes are disregarded.
- 3.6 Shareholders that wish to indicate how their proxy should vote, should mark the appropriate boxes on the proxy form. If shareholders do not direct a proxy on how to vote on an item of business, or should any resolution other than those specified in this Notice of Meeting be proposed at the Meeting, the proxy may vote or abstain from voting on that resolution as they see fit (subject to any applicable voting exclusion).
- 3.7 Shareholders that instruct their proxy to abstain from voting on an item of business, are directed to not vote on a poll and the shares, subject of the proxy appointment, are not counted in calculating the required majority.
- 3.8 Where a Shareholder submits their proxy form with a direction on how to vote and the nominated proxy does not attend the Meeting or does not vote on the resolution in accordance with the Shareholder's directions, the Chairman will act in place of the nominated proxy and vote in accordance with the Shareholder's directions.
- 3.9 A proxy form is attached to this Notice of Meeting. If you wish to appoint a proxy or proxies you must complete the proxy form and deliver it to the Company's share registry service provider, Boardroom Limited, together with the power of attorney or other authority (if any) under which it is signed (or a certified copy), by no later than 2.00pm (AEDT) on 27 November 2023:

**(a) online at:**

<https://www.votingonline.com.au/envagm2023>

**(b) by delivery:**

Boardroom Limited  
Level 8, 210 George Street  
Sydney, NSW 2000; or

**(c) by post:**

Boardroom Limited  
GPO Box 3993  
Sydney NSW 2001

#### **4. CORPORATE REPRESENTATIVE**

A Shareholder which is a body corporate may appoint an individual as the Shareholder's representative to attend and vote at the Meeting. The representative must provide the formal notice of appointment to the Company's share registry service provider, Boardroom Limited, by no later than 2.00pm (AEDT) on 27 November 2023, unless it has previously been provided to the Company.

#### **5. OTHER INFORMATION**

- 5.1 A reasonable opportunity will be given to shareholders present at the Meeting to ask questions about, or make comments on, the management of the Company as well as the each of the resolutions.
- 5.2 Shareholders can also submit written questions relating to the Company and the business of the Meeting in advance. Shareholders may also submit questions to the Company's Auditor on the content of the Auditor's report or the conduct of its audit of the Company's Financial Report for the year ended 30 June 2023. The Auditor is not obliged to provide written answers.
- 5.3 Shareholders can submit their questions in advance of the Meeting in the following ways:
- (a) if you are submitting a proxy form, you may send the question together with the proxy form; or
  - (b) by submitting a question to: [investors@envirosuite.com](mailto:investors@envirosuite.com) with the text "Question for the AGM" in the subject line.
- 5.4 All questions must be received by 5pm (AEDT) on 27 November 2023.
- 5.5 The Chairman of the Meeting will endeavour to address the more commonly raised themes during the course of the meeting and any new material information will be released to the ASX prior to the Meeting. Individual responses will not be sent to shareholders.
- 5.6 Queries in relation to the lodgement of proxies or other matters concerning the Meeting may be directed to [investors@envirosuite.com](mailto:investors@envirosuite.com)

## PART D – INTERPRETATION

In this Notice of Meeting the following expressions have the following meanings:

"AEDT" means Australian Eastern Daylight Time.

"ASX" means the ASX Limited (ACN 008 624 691) or the securities exchange market operated by it as the context requires.

"Auditor" means the Company's auditor.

"Board" means the Directors of the Company from time to time acting as a board.

"Chairman" means the individual holding the role of Chairman of the Company.

"Closely Related Party" of a member of the Key Management Personnel of the Group has the meaning ascribed to it in the Corporations Act, and the expression includes, for example, certain Key Management Personnel's family members, dependents and companies they control.

"Company" means Envirosuite Limited ACN 122 919 948.

"Constitution" means the constitution of Envirosuite Limited ACN 122 919 948 adopted on 6 February 2008 and amended on 27 November 2021.

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

"Directors" means the directors of the Company.

"Envirosuite" means Envirosuite Limited ACN 122 919 948.

"Group" means the Company and each of its subsidiaries comprising the consolidated entity referred to in the Company's 2023 Annual Report.

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

"Listing Rule" refers to the listing rules of the ASX as amended from time to time.

"Meeting" means the annual general meeting of Shareholders convened for Wednesday, 29 November 2023 and any adjournment thereof.

"Notice" means this Notice of Annual General Meeting and includes Parts A to D and Annexures A and B inclusive.

"Related Party" has the meaning ascribed to it in Listing Rule 19.

"Shares" means fully paid ordinary shares in the capital of the Company.

"Shareholder" means a shareholder of the Company.

**ANNEXURE A  
TO NOTICE OF ANNUAL GENERAL MEETING**

**ENVIROSUITE LIMITED  
ACN 122 919 948**

**TERMS AND CONDITIONS OF OPTIONS TO BE ISSUED IN 2023 TO DIRECTORS**

**1 Definitions**

In these Terms and Conditions:

<b>Term</b>	<b>Definition</b>
<b>ASX</b>	means ASX Limited ACN 008 624 691.
<b>Board</b>	means the board of directors of the Company.
<b>Business Day</b>	has that meaning as defined in the Listing Rules.
<b>Buy-Back</b>	means the purchase by the Company or Substituted Corporation of an option prior to its exercise.
<b>Company</b>	means Envirosuite Limited ACN 122 919 948.
<b>Control</b>	has the meaning given in section 50AA Corporations Act.
<b>Constitution</b>	means the Constitution of the Company.
<b>Corporations Act</b>	means <i>Corporations Act 2001 (Cth)</i> and <i>Corporations Regulations 2001 (Cth)</i> .
<b>Director</b>	has the meaning given in section 9 Corporations Act.
<b>Exercise Date</b>	means the date on or after which the Option Holder may exercise an Option.
<b>Exercise Period</b>	means the period during which the Option Holder may exercise an Option.
<b>Exercise Price</b>	means the price at which each Share, the subject of an Option, may be exercised.
<b>Expiry Date</b>	means the date on or by which an Option Holder must exercise an Option.
<b>Fair Value</b>	means where the Company or Substituted Corporation is listed on ASX or any other recognised stock exchange, the quoted price of the Shares at the close of business on the previous day that the Shares were traded or if the company or Substituted Corporation is not listed on a ASX or any other stock exchange the value of the Shares as determined by the Board having regard to the last Annual Valuation.
<b>Grant Date</b>	means the date on which the Option Holder is granted an Option.
<b>Group</b>	means the Company and any Related Body Corporate.
<b>Listing Rules</b>	means the Official Listing Rules of ASX as varied from time to time and includes any waivers or rulings made by ASX.
<b>Notice of Exercise</b>	means a duly completed and executed notice of exercise of the Option by an Option Holder or, as applicable, a Permitted Nominee, in such form approved by the Board from time to time.

Term	Definition
<b>Option</b>	means an option granted by the Company to subscribe for and be allotted the number of Shares the subject of the option.
<b>Option Holder</b>	means a person who holds Options under the terms and conditions.
<b>Permitted Nominee</b>	means a proprietary limited company which is nominated by an Option Holder to hold an Option or a Share which may be issued pursuant to the exercise of the Option, in place of the Option Holder, and which has first been approved by the Board to be the holder of such Option or Shares, provided however, that the Option Holder: (a) controls, either alone or jointly with their immediate family, the composition of the board, and exercises and continues to exercise all management powers, of the nominee company; or (b) holds either alone, or together with their immediate family, all shares in the nominee company but subject to the proviso that the Option Holder, either alone or jointly with members of their immediate family, is at all times able to cast sufficient votes to enable them to pass an ordinary or special resolution in all general meetings of the nominee company.
<b>Related Body Corporate</b>	has the meaning given to it by the Corporations Act.
<b>Relevant Requirements</b>	means those events that must be satisfied before exercise of an Option can occur and which may include any or all of the following: (a) achievement of vesting requirements; and (b) sale of the Company or any entity which may control the Company resulting in change of control either in the ability of the current controllers of the Company to pass ordinary resolutions in general meetings or in the ability of the current controllers to control the composition of the board of the Company.
<b>Security Interest</b>	means a mortgage, charge, pledge, lien or other encumbrance of any nature.
<b>Share</b>	means a fully paid ordinary share in the Company.
<b>Subsidiary</b>	means a company which is a subsidiary of a body corporate for the purposes of the Corporations Act.
<b>Substituted Corporation</b>	means a body corporate which becomes a parent company of the Company following commencement of these terms and conditions and whose shares become the subject of the Options granted to the Option Holders.

## 2

### Grant of options

The Company issues the Options to the Option Holder on the terms set out in the relevant Minute of Directors' Meeting.

### **3**      **Exercise of options**

- (a) An Option entitles the holder of that Option to acquire the total number of Shares the subject of an Option:
  - (i) subject to the satisfaction of the Relevant Requirements;
  - (ii) provided any acquisition of Shares does not breach Corporations Act or the Listing Rules, if applicable;
  - (iii) during the Exercise Period; and
  - (iv) at the Exercise Price.
- (b) The holder of an Option may exercise their Option at any time during the Exercise Period.

### **4**      **Rights attaching to options**

- (a) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, the number of Options or the Exercise Price or both will be adjusted (as appropriate) to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation. In all other respects the terms for the exercise of the Options remain unchanged.
- (b) Until Shares are issued pursuant to the exercise of Options, the holders of an Option shall not participate in dividends on Shares or, subject to clause 4(c), new issues of securities by the Company.
- (c) In the event of any pro rata bonus or cash issues of securities by the Company, the number of Shares over which an Option exists and the Exercise Price will be adjusted in the manner specified in Listing Rule 6.22 and in writing to the Eligible Employee at the time the Option is granted.
- (d) Options may be transferred only with the prior written consent of the Board.
- (e) The Company will not apply to ASX for official quotation of any of the Options.
- (f) Options will not entitle the Option Holder to participate in any new pro-rata issue of securities in the Company. However, an entitlement to participate will apply following the exercise of the Options.

### **5**      **Change of control**

- (a) A Change of Control Event occurs where:
  - (i) the Company becomes a Subsidiary of another corporation;
  - (ii) there is a sale of the business of the Company other than to a company in the Group;
  - (iii) a company which is a Subsidiary ceases to be a Subsidiary of the Company; or
  - (iv) any other reorganisation of the Group occurs which results in an Option Holder ceasing to be a director or secretary of the Company.

- (b) Where a Change of Control event has or in the opinion of the Board will occur the Board may determine the manner in which the Options will be dealt with, so that the Option Holder remains as at the date of the determination in a financial position in respect of the options which is as near as possible as to that which existed prior to the Change of Control Event occurring.
- (c) In making their determination the Board may choose one of the following methods of dealing with the Options;
  - (i) allowing the Option Holders affected by the Change of Control to exercise either all or a proportion of their Options within such time as determined by the Board after which the Options will lapse;
  - (ii) arranging for the new parent company of the Company (or new parent of the Subsidiary) to become a Substituted Corporation whereby it agrees to assume the obligations of the Company under these terms and conditions, to be bound by any determination made by the Board of the Company prior to it agreeing to become a Substituted Corporation, and to issue to the Option Holder Shares in the Substituted Corporation on exercise of the option (as set out in clause 5(d) (below) or alternatively options to acquire shares in the Substituted Corporation (as set out in clause 5(e) below);
  - (iii) conducting a Buy-Back of the Options under these Rules;
  - (iv) allowing the Option Holders affected by the Change of Control to transfer their Options.
- (d) Where Shares in a Substituted Corporation are to be issued on exercise of Options following a Change of Control Event occurring the Board shall arrange for the Exercise Price of the Options to be suitably adjusted prior to exercise and / or an appropriate number of Shares in the Substituted Corporation to be transferred and issued on exercise of the Option, to reflect differences at that time in the Fair Values of the Shares in the Company and Substituted Corporation, any foreign exchange effects and the capital structures of the Company and Substituted Corporation.
- (e) Where options in another corporation are to be substituted for Options following a Change of Control Event occurring the Board shall arrange for the number and terms of options substituted, the exercise price of those options and the number of Shares in the other corporation into which the new options are exercisable to as nearly as possible ensure the financial position of the Option holder whose options are substituted remains the same if they were able to exercise the substituted options at the date of substitution.

## 6 Buy back

- (a) The Board may cause the Company to Buy-Back Options held by an Option Holder for an amount agreed with the Option Holder at any time.
- (b) Where the company Buys-Back Options issued in accordance with these terms and conditions it shall:



- (i) immediately notify the Option Holder whose options it has bought-back of the Buy-Back of the Options;
- (ii) account to the Option Holder for the amount payable on the Buy-Back;
- (iii) prepare all necessary transfer documents and arrange for an agent or attorney of the Participant to complete the transfer documents on their behalf;
- (iv) pay all relevant taxes, duties or other imposts in respect of the transfer other than any taxes, duties or imposts which are for the account of the Option Holder; and
- (v) cancel the Options which are bought back.

## **7 Issue of shares**

- (a) The Board will issue Shares to an Option Holder or their Permitted Nominee after each Option has been exercised in accordance with clause 3, once the relevant Exercise Price for each Share the subject of the Option has been paid to the Company, at the next succeeding Board meeting or within 15 Business Days after receiving Notice of Exercise, whichever first occurs.
- (b) If the Company's Shares are officially quoted by ASX at the time any Shares are issued pursuant to the exercise of Options, the Company will apply to ASX for official quotation of such Shares issued pursuant to the exercise of Options within the time prescribed by the Listing Rules but, in any event, within 10 Business Days of the issue of those Shares.
- (c) A Share issued pursuant to the exercise of any Option ranks equally with all existing Shares of that class from the date of allotment.

## **8 No interest in shares**

An Option Holder will have no interest in Shares the subject of an Option unless and until those Options are exercised and Shares are allotted to that Option Holder as a result thereof.

## **9 Rights of participants**

Nothing in these terms and conditions:

- (a) confers on any Option Holder the right to continue as an employee or office holder of the Company or any Related Body Corporate;
- (b) affects any rights which the Company or any Related Body Corporate may have to remove the office holder from his or her office with the Company; or
- (c) may be used to increase damages in any action brought against the Company or any Related Body Corporate in respect of any such removal.

## **10 General**

The entitlements of the Option Holder are subject to the Constitution, the Listing Rules (if applicable) and the Corporations Act.

## 11 Security interests and dealings

- (a) Option Holders may, with the prior written approval of the Board, grant Security Interests in or over, or otherwise assign, dispose or deal with any Options or any interest therein.
- (b) For avoidance of doubt, clause 11(a) is subject to the Corporations Act, Listing Rules, the Company's policies regarding securities dealing and any escrow agreement applicable to the Options or **Shares**.

## 12 Interpretation

In these terms and conditions, except to the extent the context otherwise requires:

- (a) words importing the singular include the plural and vice versa, words importing any gender include other genders and 'person' includes a corporation;
  - (b) headings are for convenience only and do not affect the interpretation.
-

**ANNEXURE B  
TO NOTICE OF ANNUAL GENERAL MEETING**

**ENVIROSUITE LIMITED  
ACN 122 919 948**

**PROPORTIONAL TAKEOVER PROVISIONS**

Proportional takeover provisions to be inserted into the Constitution at Rule 27:

"Partial takeovers

*27.1 Definitions for rule 27*

*In rule 27:*

**Approving Resolution** means a resolution to approve the Proportional Takeover Bid passed under rule 27.

**Proportional Takeover Bid** has the meaning given to that term in section 9 Corporations Act.

**Relevant Day** in relation to a Proportional Takeover Bid, means the day that is 14 days before the end of the period during which the offers under the Proportional Takeover Bid remain open.

*27.2 Approval of partial takeovers bids*

- (a) Subject to the Listing Rules, where offers have been made under a Proportional Takeover Bid in respect of shares in a class of shares in the Company, the registration of a transfer giving effect to a takeover contract for the bid is prohibited unless and until a resolution to approve the Proportional Takeover Bid is passed under this rule.
- (b) A person other than the bidder or an associate of the bidder (being a person associated with the bidder within the meaning of division 2 part 1.2 Corporations Act) who, as at the end of the day of which the first offer under the Proportional Takeover Bid was made, held shares in that class is entitled to vote on an Approving Resolution and, for the purpose of voting, is entitled to one vote for each of the shares held in that class.
- (c) An Approving Resolution is to be voted on at a meeting of the persons entitled to vote on the Approving Resolution, convened and conducted by the Company.
- (d) The provisions of these rules that apply in relation to a general meeting of the Company apply in relation to a meeting that is convened to vote on an Approving Resolution as if such a meeting was a general meeting of the Company, with such modifications as the circumstances require.
- (e) An Approving Resolution that has been voted on under this rule, is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than one-half, and otherwise is taken to have been rejected.
- (f) Where offers have been made under a Proportional Takeover Bid the Board must ensure that a resolution to approve the Proportional Takeover Bid is voted on under this rule, before the Relevant Day.
- (g) Where a resolution to approve a Proportional Takeover Bid is voted on under this rule, before the Relevant Day, the Company must, on or before the Relevant Day:
  - (i) give to the bidder; and
  - (ii) serve on each notifiable Securities exchange in relation to the Company, a notice in writing stating that a resolution to approve the Proportional Takeover Bid has been voted on and whether the resolution has been passed, or has been rejected, as the case requires.
- (h) Where, at the end of the day before the Relevant Day no resolution to approve the Proportional Takeover Bid has been voted on under this rule, a resolution to approve the Proportional Takeover Bid is deemed to have been passed.

- (i) Where a resolution under this rule is rejected:
- (i) notwithstanding section 652A Corporations Act, all offers under the Proportional Takeover Bid that have not, as at the end of the Relevant Day, been accepted, and all offers under the Proportional Takeover Bid that have been accepted and from whose acceptance binding contracts have not resulted, at the end of the Relevant Day, are deemed to be withdrawn at the end of the Relevant Day;
  - (ii) the bidder is, forthwith after the end of the Relevant Day, to return to each person who has accepted any of the accepted offers any documents that were sent by the person to the bidder with the acceptance of the offer;
  - (iii) the bidder is entitled to rescind, and is required, forthwith after the end of the Relevant Day, to rescind, each binding contract resulting from the acceptance of an offer made under the Proportional Takeover Bid; and
  - (iv) a person who has accepted an offer made under the Proportional Takeover Bid is entitled to rescind the contract (if any) resulting from that acceptance.
- (j) This rule ceases to have effect on the third anniversary of the later of the date of adoption or last renewal of this rule."

**All Correspondence to:**

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 2:00pm (AEDT) on Monday, 27 November 2023.**

### 🖥 TO APPOINT A PROXY ONLINE

**STEP 1: VISIT** <https://www.votingonline.com.au/envagm2023>

**STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**

**STEP 3: Enter your Voting Access Code (VAC):**

### 📱 BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

## TO VOTE BY COMPLETING THE PROXY FORM

### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

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

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **2:00pm on Monday, 27 November 2023**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

**Proxy forms may be lodged using the enclosed Reply Paid Envelope or:**

🖥 **Online** <https://www.votingonline.com.au/envagm2023>

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited  
Level 8, 210 George Street  
Sydney NSW 2000 Australia

### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

☐

**Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

**Please note, you cannot change ownership of your securities using this form.**

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

I/We being a member/s of **Envirosuite Limited** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at the **Offices of Wilsons Advisory, Level 12, 8 Exhibition Street, Melbourne, VIC 3000 on Wednesday, 29 November 2023 at 2:00pm (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1 & 4, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1 & 4 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1 & 4). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

**STEP 2 VOTING DIRECTIONS**

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr David Johnstone as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Mr Colby Manwaring as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Options to Mr Colby Manwaring (or his nominee) Under the Company's Equity Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Renewal of Proportional Takeover Approval Provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 SIGNATURE OF SECURITYHOLDERS**

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2023