

**THIS IS AN IMPORTANT DOCUMENT
AND REQUIRES YOUR ATTENTION**

SKS TECHNOLOGIES GROUP LIMITED

ACN 004 554 929

2021 NOTICE OF ANNUAL GENERAL MEETING and EXPLANATORY STATEMENT

Annual General Meeting of Shareholders

To be held via Zoom webcast at www.zoom.us/j/85464847993 and enter Passcode: 200446

on 25 November 2021, commencing at 11.00am AEDT

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

**Given the current environment created by the coronavirus pandemic, we strongly
encourage that all Shareholders plan to vote by proxy and participate in the
Meeting by Zoom webcast.**

**We remind Shareholders that the Company's annual report is only available
electronically this year. If you wish to download a copy, please visit
www.sks.com.au**

**Should you wish to discuss the matters set out in this Notice of Meeting please do
not hesitate to contact the Company Secretary on (+61 3) 9289 5000**

SKS TECHNOLOGIES GROUP LIMITED

ACN 004 554 929

2021 NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Shareholders of **SKS Technologies Group Limited** will be held via Zoom webcast at:

www.zoom.us/j/85464847993 and enter Passcode: 200446

on 25 November 2021, commencing at 11.00am AEDT

BUSINESS:

FINANCIAL REPORT

To receive and consider the Annual Report, Financial Statements and the reports of the Directors and the Auditor for the year ended 30 June 2021.

Note: there is no requirement for Shareholders to approve these reports and financial statements.

1. RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

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

“That the Company be authorised to adopt the Remuneration Report for the year ended 30 June 2021.”

The Corporations Act 2001 requires listed companies to put to Shareholders at the Annual General Meeting a resolution concerning the Remuneration Report which is contained in the Directors' Report section of the 2021 Annual Report.

Shareholders will be given an opportunity to ask questions concerning the Remuneration Report at the Annual General Meeting.

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution:

- (a) by or on behalf of a member of the Company's key management personnel as whose remuneration is disclosed in the Remuneration Report (**Key Management Personnel**), and
- (b) by or on behalf of a Closely Related Party of a member of Key Management Personnel.

However, the Company will not disregard a vote if it is cast by the member of the Key Management Personnel, not cast on behalf of any member of the Key Management Personnel, and either:

- (c) the proxy appointing the member of the Key Management Personnel specifies the way the proxy is to vote on the resolution; or
- (d) the Chairman is appointed proxy, the appointment does not specify the way the proxy is to vote on the resolution and the appointment expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel,

2. RESOLUTION 2 - RETIREMENT BY ROTATION AND ELECTION OF GREG JINKS AS DIRECTOR:

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

"That having retired pursuant to the constitution of the Company, Greg Jinks be re-elected as a director."

The Company's Constitution requires one third of the directors (excluding the Managing Director or directors appointed during the year) or if that number is not a multiple of three then the number nearest to one-third (but not less than one-third unless every non-retiring director has been elected at the last and penultimate AGM) to retire at each AGM. Directors who retire by rotation may offer themselves for re-election.

3. RESOLUTION 3 - APPROVAL FOR ADDITIONAL 10% PLACEMENT CAPACITY

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

"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue and allotment of Equity Securities totalling up to 10% of the number of Ordinary Shares on issue (at the time of the issue) (10% Placement Facility) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2; and otherwise on the terms and conditions set out in the accompanying Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue under the 10% Placement Facility (except a benefit solely by reason of a holder of ordinary securities in the Company (and any associates of such a person)).

However, the Company will not disregard a vote if it is cast:

- a person acting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the person who is chairing the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- 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.

4. RESOLUTION 4 – APPROVAL OF GRANT OF PERFORMANCE RIGHTS TO CEO UNDER EMPLOYEE EQUITY INCENTIVE PLAN

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

"That, pursuant to and in accordance with Listing Rule 10.4 and for all other purposes, Shareholders approve the grant of Performance Rights (incorporating the right to acquire shares in the Company) to the Chief Executive Officer, Mr Matthew Jinks, on the terms set out in the accompanying Explanatory Memorandum and under the SKS Limited Employee Equity Incentive Plan (the Plan)."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan (**Excluded Persons**). However, the Company need not disregard a vote if it is cast by:

- a person acting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the person who is chairing the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or

- 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.

The Company will also disregard any votes cast on Resolution 4 as proxy by any member of key management personnel (including directors) (together **KMP**) or any closely related party of such a KMP. However, the Company need not disregard a vote if it is cast by an Excluded Person,

a KMP or a closely related party of a KMP as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by a person who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with an express authority on the proxy form to vote as the proxy decides, even if the resolution is connected directly or indirectly with the remuneration of a KMP.

If you are a KMP or a closely related party of a KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as indicated above), you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

5. RESOLUTION 5 – APPROVAL OF GRANT OF OPTIONS TO CEO UNDER EMPLOYEE EQUITY INCENTIVE PLAN

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

*"That, pursuant to and in accordance with Listing Rule 10.4 and for all other purposes, Shareholders approve the grant of up to 2,000,000 options to the Chief Executive Officer, Mr Matthew Jinks, on the terms set out in the accompanying Explanatory Memorandum and under the SKS Technology Group Limited Employee Equity Incentive Plan (**the Plan**)."*

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan (**Excluded Persons**). However, the Company need not disregard a vote if it is cast by:

- a person acting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the person who is chairing the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- 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.

The Company will also disregard any votes cast on Resolution 4 as proxy by any member of key management personnel (including directors) (together **KMP**) or any closely related party of such a KMP. However, the Company need not disregard a vote if it is cast by an Excluded Person,

a KMP or a closely related party of a KMP as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by a person who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with an express authority on the proxy form to vote as the proxy decides, even if the resolution is connected directly or indirectly with the remuneration of a KMP.

If you are a KMP or a closely related party of a KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as indicated above), you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

Other business

In accordance with section 250S(1) of the Corporation Act, Shareholders are invited to ask questions about or make comments on the management of the Company and to raise any other business which lawfully be brought before the Annual General Meeting.

By order of the Board:

A handwritten signature in black ink, appearing to be 'Peter Jinks', written over a horizontal line.

Peter Jinks
Executive Chairman
Dated: 26/10/2021

IMPORTANT VOTING INFORMATION

Pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the directors of the Company have determined that, for the purposes of this meeting, those persons who are registered as the holders of ordinary shares in the Company at 7:00 pm (AEDT) on 23 November 2021 (Effective Time) will be taken to be the holders of shares for the purposes of determining voting entitlements at the meeting.

1. HOW TO VOTE

Shareholders entitled to vote at the Annual General Meeting may vote by attending the Annual General Meeting in person, by attorney or proxy or, in the case of corporate shareholders, by a corporate representative.

2. VOTING IN PERSON OR BY ATTORNEY

Ordinarily, Shareholders would be able to participate in the Meeting of the Company by attending and voting in person at the meeting venue.

However, due to the current exceptional and uncertain circumstances, and with the health, wellbeing of the shareholders, employees and the broader community in mind, **the Annual General Meeting will be held virtually via a live Zoom webcast.**

All Resolutions by Poll

Under the Treasury Laws Amendment (2021 Measures No. 1) Act 2021, all votes will be taken on a poll via proxy or online voting.

Voting using the Online Platform during the Meeting

Due to the virtual nature of the event, Computershare will facilitate voting during the meeting by an application downloadable on your desktop or any other mobile device.

If you wish to cast your vote during the meeting, please follow the steps below to register your interest as soon as possible.

Step 1: Visit <https://web.lumiagm.com/312164937> on your desktop or mobile device

Step 2: Enter username (SRN or HIN) and Password (Postcode or Country Code)

Step 3: When the poll is open, the vote icon  will be accessible by selecting the voting icon at the top of your screen.

Step 4: Select your voting option (For/Against/Abstain) for each resolution.

A message will appear at the top of the screen indicating the number of resolutions that you have voted on.

Voting will close at the close of the Meeting. At the close of the Meeting, any votes you have placed will automatically be submitted to the Registry.

3. VOTING BY PROXY

- a) Shareholders wishing to vote by proxy must complete, sign and deliver the enclosed personalised proxy form or forms, in accordance with the instructions on the form, prior to 11.00am AEDT on **23 November 2021 (Proxy Forms received later than this time will be invalid)** by:
 - post to: Computershare Investor Services Pty Limited, GPO Box 242 Melbourne Victoria 3001; or
 - facsimile: 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia); or
 - Log on to www.investorvote.com.au;

- For Intermediary Online Subscribers only (Custodians) log on at www.intermediaryonline.com.
- b) A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item. Please refer to the voting exclusions for each Resolution for the directions that must be given to the proxy in relation to each resolution.
- c) If the appointment of a proxy specifies the way the proxy is to vote on a particular resolution, then the proxy need not vote, but if the proxy does so, the proxy must vote that way. Any directed proxies which, are not voted will automatically default to the Chairman of the meeting, who must vote the proxies as directed. If a proxy has 2 or more appointments that specify different ways to vote on the resolution - the proxy must not vote on a show of hands.
- d) Shareholder who is entitled to vote at the meeting may appoint:
 - 1) one proxy if the Shareholder is only entitled to one vote; or
 - 2) one or two proxies if the Shareholder is entitled to more than one vote.
- e) Where the Shareholder appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not do so, each proxy may exercise one-half of the votes, and any fraction of votes will be disregarded.
- f) A proxy need not be a shareholder of the Company.
- g) Signing Instructions for postal forms:
 - **(Individual)**: Where the holding is the one name, the Shareholder must sign.
 - **(Joint Holding)**: Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of Attorney)**: If you have not already provided the power of attorney to the Company, please attach a certified copy 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, that person must sign. Where the Company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole Director can also sign alone.

Otherwise, a Director jointly with either another Director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
- h) To be valid, a proxy form, signed under a power of attorney, must be accompanied by the signed power of attorney, or a certified copy of the power of attorney.
- i) A proxy may decide whether to vote on any motion, except where the proxy is required by law, the ASX Listing Rules or the Constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed to vote on an item of business, the proxy may vote on that item only in accordance with the direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as they think fit.
- j) The proxy form accompanying this Notice of Meeting contains detailed instructions regarding how to complete the proxy form if a Shareholder wishes to appoint the Chairman as his or her proxy. You should read those instructions carefully.
- k) By appointing the Chairman of the meeting as your proxy in relation to Resolution 1 you expressly authorise the Chairman to vote in favour of Resolution 1 unless:
 - 1) you direct the Chairman to vote against or to abstain from voting on the resolution; or
 - 2) you are a member of the Key Management Personnel of the Company and its subsidiaries, details of whose remuneration are included in the remuneration report for the year ended 30 June 2021.

- l) The Chairman of the meeting intends to exercise all available proxies by voting in favour of all resolutions.
- m) If you require an additional proxy form, the Company will supply it on request to the undersigned.

4. VOTING BY CORPORATE REPRESENTATIVE

Corporate Shareholders wishing to vote by corporate representative should:

- a) obtain an appointment of corporate representative form from the Company;
- b) complete and sign the form in accordance with the instructions on it; and
- c) bring the completed and signed form with them to the Annual General Meeting.

SKS TECHNOLOGIES GROUP LIMITED

ACN 004 554 929

EXPLANATORY STATEMENT

1. INTRODUCTION

The purpose of this Explanatory Statement is to provide Shareholders with an explanation of the business of the meeting and the resolutions proposed to be considered at the Annual General Meeting.

2. RESOLUTION 1 – REMUNERATION REPORT

The Remuneration Report of the Company for the financial year ended 30 June 2021 is included in the Directors' Report in the Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

Section 249L(2) of the Corporations Act requires a company to inform Shareholders that a resolution on the Remuneration Report will be put at the Annual General Meeting. Section 250R of the Corporations Act requires a resolution that the Remuneration Report adopted be put to the vote. Resolution 1 seek this approval.

In accordance with Section 250R(3) of the Corporation Act, Shareholders should note that Resolution 1 is "advisory only" resolutions which does not bind the Directors. However, Shareholders have the ability to "spill" the Company's board if there are "two strikes" against the adoption of the Remuneration Report at two successive AGMs. Under Section 250SA of the Corporation Act, the Chairman will provide a reasonable opportunity for discussion of the Remuneration Report at the Annual General Meeting.

If at least 25% of the votes on Resolution 1 are voted against the adoption of the Remuneration Report at this Annual General Meeting, and then again at the Company's 2022 Annual General Meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an Extraordinary General Meeting (**Spill Meeting**) to consider the appointment of the Directors to the Company (**Spill Resolution**).

If more than 50% of Shareholders, excluding Key Management Personnel, vote in favour of the Spill Resolution, the Company must convene the Extraordinary General Meeting (Spill Meeting) within 90 days of the Company's 2022 Annual General Meeting. All of the Directors who are in office when the Company's 2022 Directors' Report is approved, other than the Managing Director, will cease to hold office immediately before the end of the Spill Meeting, but may stand for re-election at the Spill Meeting. Following the Spill Meeting, each person whose election or re-election as a Director is approved, will become a Director of the Company.

Shareholders should note that at the 2020 annual general meeting proxy votes against the Remuneration Report were less than 25%, and the resolution was passed by the required majority.

The Directors abstain from making a recommendation in relation to this Resolution.

3. RESOLUTION 2 - RETIREMENT BY ROTATION AND RE-ELECTION OF GREG JINKS AS DIRECTOR

The Company's Constitution requires one third of the directors (excluding the Managing Director or directors appointed during the year) or if that number is not a multiple of three then the number nearest to one-third (but not less than one-third unless every non-retiring director has been elected at the last and penultimate AGM) to retire at each AGM. Directors who retire by rotation may offer themselves for re-election.

Greg Jinks was appointed prior to, and elected at, the 2017 annual general meeting, and is therefore required to resign at the 2021 Annual General Meeting (**2021 AGM**). Mr Jinks resigns by rotation at the conclusion of the 2021 AGM and, being eligible, offers himself for re-election at this 2021 AGM. Further information in relation to Mr Jinks' experience and qualifications are set out in the Directors' Report section of the Annual Report.

The Directors (excluding Mr Jinks) recommend that Shareholders vote in favour of this Resolution to

reappoint Greg Jinks as a Director.

4. RESOLUTION 3 - APPROVAL FOR ADDITIONAL PLACEMENT CAPACITY

4.1 General

Under Listing Rule 7.1A, an Eligible Entity may seek shareholder approval at its Annual General Meeting to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

An Eligible Entity for the purpose 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 now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities of the Company under the 10% Placement Capacity

The exact number of Equity Securities to be issued under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2, (refer to section 4.2 below).

The Directors believes that Resolution 3 is in the best interests of the Company and unanimously recommends that Shareholders **vote in favour** of this Resolution.

4.2 Listing Rule 7.1A

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities. The Company currently has only one class of quoted Equity Securities on issue, being the Ordinary Shares.

The exact number of Equity Securities that the Company may issue under an approval pursuant to Listing Rule 7.1A will be calculated according to the following formula:

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

Where:

- A** means the number of Ordinary Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
 - (ii) plus the number of fully paid ordinary securities issued in the 12 months on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
 - (iii) plus the number of fully paid ordinary securities issued in the 12 months under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - the agreement was entered into prior to 12 months ago; or
 - the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
 - (iv) plus the number of any other fully paid ordinary securities issued in the 12 months with approval under Listing Rule 7.1 or Listing Rule 7.4;
 - (v) plus the number of partly paid shares that became fully paid in the 12 months;
 - (vi) less the number of fully paid shares cancelled in the 12 months.

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

D means 10%.

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

approval of Shareholders under Listing Rule 7.1 or 7.4.

4.3 Technical Information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is no less than 75% of the volume weighted average price of the Company's Equity Securities, calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i), the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of this Annual General Meeting and expiring 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;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking),

or such longer period if allowed by ASX.

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Ordinary Shares under that issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Ordinary Shares could be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the current market price of Ordinary Shares and the current number of Equity Securities on issue for variable "A" of the formula in Listing Rule 7.1A.2 as at the close of trade on date of this Notice.

The table also shows:

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

Variable "A" in Listing Rule 7.1A	Dilution			
	Number of Shares issued under 10% Placement Capacity	Funds raised based on issue price of \$0.0925 (~50% decrease in current issue price)	Funds raised based on issue price of \$0.185 (Current issue price)	Funds raised based on issue price of \$0.2775 (~50% increase in current issue price)
Current Variable "A" 107,798,360 Shares	10,798,360	\$ 998,848.30	\$ 1,997,696.60	\$ 2,996,544.90
50% increase in current Variable "A" 161,975,403 Shares	16,197,540	\$1,498,272.45	\$ 2,996,544.90	\$ 4,494,817.35
100% increase in current Variable "A" 215,967,204 Shares	21,596,720	\$1,997,696.60	\$ 3,995,393.20	\$ 5,993,089.80

- (iii) The table above uses the following assumptions:
- The current shares on issue are the Ordinary Shares on issue as at the date of this notice.
 - The issue price set out above is the closing price of the Ordinary Shares on the ASX on 11/10/21 October 2021.
 - The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
 - The Company has not issued any Equity Securities in the 12 months prior to the Annual General Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
 - The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
 - This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.
 - The issues of Equity Securities under the 10% Placement Capacity consist only of Ordinary Shares. Shareholders should note that there is a risk that:
 - (i) the market price for the Company's Ordinary Shares may be significantly lower on the issue date than on the date approval under Listing Rule 7.1A is given (at of this Annual General Meeting); and
 - (ii) the Ordinary Shares may be issued at a price that is at a discount to the market price for those Ordinary Shares on the date of issue,
 which may have an effect on the amount of funds raised by the issue of the Equity Securities.

(d) Purpose of issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for cash consideration, in which case the Company may use funds raised for general working capital, retirement of debt and / or for the acquisition of new assets and investments.

(e) Allocation Policy under the 10% Placement Capacity

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the Company's circumstances, including, but not limited to, its financial position and solvency;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) Previous Approval under Listing Rule 7.1A

The Company previously obtained approval under Listing Rule 7.1A at its 2020 Annual General Meeting.

(g) Previous issues of Equity Securities

The Company has not issued any Equity Securities under Listing Rule 7.1A.2 in the 12 months preceding the date of the Annual General Meeting.

(h) Voting Exclusion

A voting exclusion statement is included in the Notice of Meeting. As at the date of this Explanatory Statement, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

5. RESOLUTIONS 4 AND 5 - APPROVAL OF GRANT OF PERFORMANCE RIGHTS AND OPTIONS TO CEO UNDER EMPLOYEE EQUITY INCENTIVE PLAN

The Board is seeking shareholder approval by ordinary resolution to the grant of Performance Rights and Options under the SKS Technologies Group Limited Employee Equity Incentive Plan (**the Plan**) to the Chief Executive Officer, Mr Matthew Jinks, in accordance with the requirements of Listing Rule 10.14 and for all other purposes.

Performance Rights

Mr Jinks is eligible to receive Performance Rights under the Plan, potentially vesting after the performance period from 1 July 2021 to 30 June 2022. Performance Rights which do not vest will lapse and will not be re-tested.

The actual number of Performance Rights to be granted to Mr Jinks will be determined based on the following formula:

$$(A \times 30\%) / B$$

Where:

A = Mr Jinks' fixed remuneration for FY22

B = the volume weighted average price of shares in the Company calculated over the 30 trading days prior to 31 August 2022.

For example, based on a closing share price of \$0.185 (being the closing price as at 7 October 2021), if Mr Jinks met the relevant performance hurdle, Mr Jinks would be eligible to be granted 567,568 Shares. He will receive the Shares at the volume weighted average price of shares in the Company calculated over the 30 trading days prior to 31 August 2022 and they will be issued under the Plan.

Options

Mr Jinks is also eligible to receive Options (to a maximum of 2,000,000) under the Plan, potentially vesting after the performance period from 1 July 2021 to 30 June 2024. Options which do not vest will lapse and will not be re-tested.

The actual number of Options to be granted to Mr Jinks will require the Company to meet the share price targets (Hurdle Price) as set out below:

Hurdle Price	Options
\$0.25	500,000
\$0.35	500,000
\$0.45	500,000
\$0.55	500,000

The Options will be granted following shareholder approval and will vest at the later of the Hurdle Price being achieved or shareholder approval for their issue being obtained. The Options will be exercisable at their relevant Hurdle Price within 4 years after issue.

Shareholders should note that the Hurdle Price of \$0.25 was achieved during 2021.

The Company places an aggregate value on these options of \$13,750 based on an independent valuation using the Black Scholes Model to value the options. The assumptions used in the Black Scholes model are as follows:

- **Strike Prices** were the prices at which the Options vest.
- The **Share Price** at the date of grant of the Options was \$0.20 (being the closing price on 20 October 2021)
- The **time to maturity** was 2.58 years being the period from 1 December 2021 to 30 June 2024.
- The **annual risk-free rate of return** was 0.19% in line with the 3-year government bond rate in September 2021.
- The **annualised (implied) volatility** adopted for the Company is 27.5%

Information relevant to both Performance Rights and Options

The Company has chosen to use shares to incentivise and remunerate Mr Jinks because, in the opinion of the board, this represents a way to align the interests of Mr Jinks with the interests of Shareholders generally. The bonus payment to Mr Jinks is payable half in cash and half in shares and is only payable if agreed financial performance hurdles are met. Not only does this incentivise Mr Jinks and reward him based on the Company achieving its targets but, over time, as a shareholder, Mr Jinks will have objectives which are aligned to those of the Shareholders.

In relation to the options, the Board is of the view that it is in the interests of the Company and all Shareholders for the share price to grow over time and granting options to Mr Jinks to acquire shares as each hurdle price is met means that he is incentivised and rewarded for his part in delivering these objectives to the Company and its Shareholders.

It is noted that Mr Jinks is the son of Mr Peter Jinks (who is a director of the Company) and therefore a related party under Listing Rule 10.11.1, and the granting of Performance Rights and Options is intended to remunerate or incentivise Mr Jinks.

For the purposes of Listing Rule 10.15.4, Mr Jinks' current total remuneration package for FY22 is as follows:

Base Remuneration Rate	Short Term Incentive Target, calculated as a percentage on the prevailing Base Remuneration Rate	Long-Term Incentive Reward	Termination Payment (except for cause)
\$350,000 pa reviewed August 2022	60% calculated on prevailing base remuneration rate (50% Cash, 50% Performance Rights)	Equity Incentive in the form of Share Options as set out above	One year's remuneration equivalent plus pro rata STI award

Shareholders are referred to the Remuneration Report for further details of Mr Jinks' remuneration arrangements.

Performance Rights will be granted depending upon the Company meeting or exceeding its performance hurdle during the specified performance period of 1 July 2021 to 30 June 2022. The maximum value of Performance Rights granted is 30% of Mr Jinks' Base Remuneration (\$105,000.00). If the Performance Rights hurdle is met, and shares are issued, they will be issued under the Plan (with an accompanying loan) and will be subject to the Plan Rules (See Schedule 1).

Options will vest when the relevant Hurdle Price has been achieved and will be exercisable within four years of vesting. Mr Jinks will receive the Performance Rights and/or Options at no cost to him.

No securities have yet been issued to Mr Jinks pursuant to either the Performance Rights or the Options.

Mr Jinks is currently the only related party eligible under the Plan rules to be granted Performance Rights or Options. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Equity Securities under the Plan after Resolutions 4 and 5 are approved and who were not named in this Notice of Meeting will not participate until approval is obtained under Listing Rule 10.14.

A summary of the material terms of the Plan are provided at Schedule 1.

Loans will be granted to Mr Jinks in relation to his participation in the Plan. Key terms of the loans in respect of any shares issued as a result of the exercise of the options are set out in Schedule 2. Loans will be granted in relation to the shares allotted pursuant to the Performance Rights and the Options.

Details of any Performance Rights or Options granted under the Plan (and shares issued upon their exercise) will be published in the Company's Annual Report relating to the period in which they have been granted, together with a note that approval of the grant was obtained under Listing Rule 10.14.

Recommendation

The Board (other than Mr Peter Jinks, who is not entitled to vote) recommends that you support the resolution approving the grant of Performance Rights and Options to the Chief Executive Officer, Mr Matthew Jinks, under the terms of the Plan.

6. GLOSSARY

The following words and expressions used in the Notice of Meeting and Explanatory Statement have the following meanings unless the context requires otherwise:

Annual General Meeting means the annual general meeting of the Company to be held on 25 November 2021 at 11.00am AEDT.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited ACN 98 008 624 691.

Board means the board of directors of the Company.

Business Day means a day (not being a Saturday, Sunday or public holiday) on which Australian banks (as defined in Section 9 of the Corporations Act) are open for general banking business in Melbourne, Victoria.

Company means SKS Technologies Group Limited ACN 004 554 929.

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

Director means a director of the Company.

Equity Security has the meaning given to that term in the Listing Rules.

Explanatory Statement means the explanatory statement accompanying the Notice.

Listing Rules means the Listing Rules of the ASX.

Notice of Meeting means the notice of meeting for the Annual General Meeting.

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

Resolution means a resolution proposed in the Notice of Meeting.

Shareholder means a holder of Ordinary Shares.

Trading Day has the meaning given to that term in the Listing Rules.

SCHEDULE 1 – KEY TERMS OF EMPLOYEE EQUITY INCENTIVE PLAN

The key terms of the Employee Equity Incentive Plan (**Plan**) are as follows:

Administration of Plan	The Plan will be administered by the Board, or a committee of the Board.
Eligibility	Participants in the Plan may be an employee (full or part time), an officer, a contractor or executive director of the Company and any related body corporate of the Company and who is declared by the Board to be eligible to receive grants of awards under the plan (Participant).
Issue of Awards	<p>The Company may offer or issue:</p> <ul style="list-style-type: none"> i) Shares ii) Options; iii) Performance Rights; or iv) Exempt Share Awards, (Awards) <p>to Employees on the basis of vesting conditions specified in an offer that may be issued to Participants from time to time.</p>
Offer	<p>The Company may, from time to time, in its absolute discretion, make a written offer to any Participant to apply for Awards, upon the terms set out in the Plan and upon such additional terms and conditions as the Company determines (Offer). The Offer will specify:</p> <ul style="list-style-type: none"> (i) the name and address of the Participant to whom the Offer is made; (ii) the type of Awards being offered; (iii) the number of Awards being offered; (iv) any vesting conditions for the Awards; (v) the issue price and/or exercise price for the Awards, or the manner in which the issue price and/or exercise price is to be determined; (vi) any financial assistance that is offered in connection with the Awards; (vii) the expiry date (if any); (viii) any restriction period; (ix) any other terms or conditions that the Board decides to include; and (x) any other matters required to be specified in the Offer by either the Corporations Act or the ASX Listing Rules.
Suspension, termination and amendment of the Plan	The Plan may be suspended, terminated or amended at any time by the Board, subject to any resolution of the Company required by the ASX Listing Rules.
Allotment of Shares on exercise or vesting of Awards	<p>The Company will apply for any shares to be issued under the Plan to be credited as fully paid and admitted to trading on the ASX upon issue of the shares. Quotation on the ASX will be subject to the ASX Listing Rules and any trading restrictions applying to the shares.</p> <p>Subject to any restrictions imposed under the Plan, shares allotted will rank equally with all other issued shares from the issue date.</p>

SCHEDULE 2–TERMS OF LOAN

The relevant terms of loans made pursuant to the Plan are as follows:

Advance	A loan may be made in relation to the exercise of an Option or the granting of shares pursuant to an award of Performance Rights and the entire amount of the loan will be applied to the exercise price of the Option or the acquisition price of shares issued pursuant to Performance Rights.
Interest	The loan will not bear interest
Repayment Date	<p>(a) the date 5 years after the issue of the shares to which the loan relates;</p> <p>(b) the date 20 business days after the relevant employee ceases to be employed by the Company;</p> <p>(c) despite paragraph (b), immediately, on dismissal;</p> <p>(d) upon a default under the loan.</p>
Compulsory Repayment	<p>Prior to the repayment date:</p> <ul style="list-style-type: none"> • A Participant in the Plan who receives a loan must apply any proceeds from the sale of shares acquired with that loan toward repayment of the loan or reduction of the loan principal. • A Participant's obligation to repay amount is limited to the lesser of the loan principal or the amount received for the loan-funded shares.
Voluntary Repayment	A Participant may voluntarily repay all or part of a loan prior to the repayment date.
Repayment on Repayment Date	<ul style="list-style-type: none"> • A Participant must repay their Loan(s) on the relevant repayment date; • A Participant's obligation to repay the loan amount is limited to payment of the lesser of the loan amount or the amount for which the Participant's shares are bought back by the Company; • The Participant's obligation to repay the loan amount is satisfied if the Participant's shares are either bought back by the Company or transferred to the Company (or its nominee)
Security	<p>As security for the loan, Participants grant to the Company:</p> <ul style="list-style-type: none"> • A mortgage over shares provided under the Plan; and • A charge over all dividends and other amounts payable under those shares