



Titomic Limited

ACN: 602 793 644

Notice of Extraordinary General Meeting and Explanatory Memorandum

Date of Meeting: Wednesday, 12 April 2023

Time of Meeting: 11:30am (AEST) (with registration from 10:30am (AEST))

Place of Meeting: 365 Ferntree Gully Road, Mount Waverley, Victoria 3149

The Notice of Meeting is also available on the Company's website at www.titomic.com.

***This is an important document. It should be read in its entirety.
If you are in doubt as to the course you should follow, consult your financial or other professional adviser.***

Notice is hereby given that an Extraordinary General Meeting of Shareholders of the Company will be held on 12 April 2023 commencing at 11:30am (AEST) at 365 Ferntree Gully Road, Mount Waverley, Victoria 3149.

The Meeting will be held as a physical meeting with Shareholders able to attend in person only.

The Board encourages shareholders to monitor the ASX and the Company's website for any updates in relation to the Extraordinary General Meeting that may need to be provided. In the meantime, the Board encourages shareholders to submit their proxies as early as possible, even if they intend to attend the Meeting, as the situation may change.

Dear Shareholder,

Titomic Limited (the **Company**) has convened an Extraordinary General Meeting (**EGM**) of Shareholders to be held on Wednesday, 12 April 2023 and we invite you to attend.

The meeting will be held at 365 Ferntree Gully Road, Mount Waverley, Victoria 3149 to commence at 11:30am (AEDT) with registration open from 10:30am (AEDT) to consider, in summary, the following items of business:

1. Resolution 1 - Ratification of prior issue of Shares under the Placement;
2. Resolution 2 - Approval of issue of Attaching Options under the Placement;
3. Resolution 3 - Approval of issue of Placement Shares and Attaching Options to Mr Herbert Koeck;
4. Resolution 4 - Approval of issue of Placement Shares and Attaching Options to Mr Dag Stromme;
5. Resolution 5 - Approval of issue of Lead Manager Options to the Lead Manager; and
6. Resolution 6 - Approval of issue of Shares to Mr Herbert Koeck.

Attached to this letter is a Notice of the EGM and an Explanatory Memorandum setting out details on each of the resolutions to be proposed at the meeting.

If you are unable to attend the Meeting, we encourage you to vote using the Proxy Form, which is also enclosed.

We look forward to meeting those Shareholders who can attend the EGM.

Thank you for your continued support.

Yours faithfully

Chris Healy
Company Secretary
Titomic Limited

Dated: 9 March 2023

TITOMIC LIMITED

ACN: 602 793 644

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Titomic Limited ACN 602 793 644 will be held at 11:30am (AEST) on Wednesday, 12 April 2023 as a physical meeting at 365 Ferntree Gully Road, Mount Waverley, Victoria 3149.

The attached Explanatory Memorandum is provided to supply Shareholders with information to allow them to make an informed decision regarding the Resolutions set out in this Notice of Meeting. The Explanatory Memorandum is to be read in conjunction with this Notice.

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

1. Agenda - Ordinary Business

Resolution 1 Ratification of prior issue of Shares under the Placement

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 30,781,250 fully paid ordinary shares to investors on 8 December 2022 and on 23 February 2023 under the Placement, as described in the Explanatory Memorandum accompanying this Notice.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this resolution by or on behalf of:

- any person who participated in the issue of the Shares and Attaching Options; and
- any associates of those persons.

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

- a person 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 chair of 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 chair to vote on the resolution as the chair 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.

Further details in respect of Resolution 1 are set out in the Explanatory Memorandum accompanying this Notice of Extraordinary General Meeting.

Resolution 2 Approval of issue of Attaching Options under the Placement

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 15,390,625 Attaching Options to investors under the Placement, on such terms and conditions as described in the Explanatory Memorandum accompanying this Notice.”

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 (except a benefit solely by reason of being a holder of ordinary securities in the entity); and
- any associates of those persons.

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

- a person 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 chair of 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 chair to vote on the resolution as the chair 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.

Further details in respect of Resolution 2 are set out in the Explanatory Memorandum accompanying this Notice of Extraordinary General Meeting.

Resolution 3 Approval of issue of Placement Shares and Attaching Options to Mr Herbert Koeck

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

“That, for the purposes of ASX Listing Rule 10.11, approval is given for the issue of 625,000 fully paid ordinary shares and 312,500 Attaching Options to Mr Herbert Koeck (or his nominee) under the Placement, as set out in the Explanatory Memorandum accompanying this Notice.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this resolution by or on behalf of:

- Mr Herbert Koeck (or his nominees); and
- any associate of Mr Herbert Koeck (or his nominees).

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

- a person 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 chair of 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 chair to vote on the resolution as the chair 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.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- the proxy is the Chair; and
- the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Further details in respect of Resolution 3 are set out in the Explanatory Memorandum accompanying this Notice of Extraordinary General Meeting.

Resolution 4 Approval of issue of Placement Shares and Attaching Options to Mr Dag Stromme

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

“That, for the purposes of ASX Listing Rule 10.11, approval is given for the issue of 468,750 fully paid ordinary shares and 234,375 Attaching Options to Mr Dag Stromme (or his nominee) under the Placement, as set out in the Explanatory Memorandum accompanying this Notice.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this resolution by or on behalf of:

- Mr Dag Stromme (or his nominees); and
- any associate of Mr Dag Stromme (or his nominees).

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

- a person 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 chair of 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 chair to vote on the resolution as the chair 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.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- the proxy is the Chair; and
- the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Further details in respect of Resolution 4 are set out in the Explanatory Memorandum accompanying this Notice of Extraordinary General Meeting.

Resolution 5 Approval of issue of Lead Manager Options to the Lead Manager

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 6,375,000 Lead Manager Options to PAC Partners Securities Pty Ltd (or its nominees), on such terms and conditions as described in the Explanatory Memorandum accompanying this Notice.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this resolution by or on behalf of:

- PAC Partners Securities Pty Ltd (or its nominees); and
- any associate of PAC Partners Securities Pty Ltd (or its nominees).

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

- a person 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 chair of 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 chair to vote on the resolution as the chair 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.

Further details in respect of Resolution 5 are set out in the Explanatory Memorandum accompanying this Notice of Extraordinary General Meeting.

Resolution 6 Approval of issue of Shares to Mr Herbert Koeck

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

“That, for the purposes of ASX Listing Rule 10.11, approval is given for the issue of certain fully paid ordinary shares in the Company to Mr Herbert Koeck (or his nominee), on the terms described in the Explanatory Memorandum accompanying this Notice.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this resolution by or on behalf of:

- Mr Herbert Koeck (or his nominees); and
- any associate of Mr Herbert Koeck (or his nominees).

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

- a person 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 chair of 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 chair to vote on the resolution as the chair 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.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- the proxy is the Chair; and
- the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Further details in respect of Resolution 6 are set out in the Explanatory Memorandum accompanying this Notice of Extraordinary General Meeting.

2. Proxy Instructions

A Shareholder entitled to attend this Meeting and vote, is entitled to appoint a proxy to attend and vote on behalf of that Shareholder at the Meeting.

- (a) A proxy need not be a Shareholder.
- (b) If the Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the proportion or number of the votes which each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes held by that Shareholder.
- (c) If the Shareholder appoints only one proxy, that proxy is entitled to vote. Voting will take place by proxy and not a show of hands.
- (d) Where two proxies are appointed, any fractions of votes resulting from the appointment of two proxies will be disregarded.
- (e) A Proxy Form accompanies this Notice.
- (f) Unless the Shareholder specifically directs the proxy how to vote, the proxy may vote as he or she thinks fit, or abstain from voting.
- (g) If a Shareholder wishes to appoint a proxy, the Shareholder should complete the Proxy Form and comply with the instructions set out in that form relating to lodgement of the form with the Company.
- (h) The Proxy Form must be signed by the Shareholder or his or her attorney duly authorised in writing or, if the Shareholder is a corporation, either signed by an authorised officer or attorney of the corporation or otherwise signed in accordance with the Corporations Act.
- (i) If any attorney or authorised officer signs the Proxy Form on behalf of a Shareholder, the relevant power of attorney or other authority under which it is signed or a certified copy of that power or authority must be deposited with the Proxy Form.

The Proxy Form (together with any relevant authority) must be received by no later than 11:30am (AEST) on Monday, 10 April 2023, **48 hours** before the time scheduled for the commencement of the meeting (or any adjournment of that meeting).

- (j) The completed Proxy Form may be lodged as follows:
 - **Online:** www.investorvote.com.au
 - **By fax:** 1800 783 447 within Australia or +61 3 9473 2555 outside Australia
 - **By mail:** Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001
- (k) The Chairman of the meeting intends to vote all available proxies in favour of all Resolutions.

3. Undirected Proxies

The Chairman of the meeting will vote undirected proxies on, and in favour of, proposed Resolutions 1 to 6 (inclusive).

4. Corporate Representatives

Corporate representatives are requested to provide appropriate evidence of appointment as a representative in accordance with the constitution of the Company prior to the Meeting. Attorneys are requested to provide the original or a certified copy of the power of attorney pursuant to which they were appointed to the Share Registry prior to the start of Meeting. Proof of identity may also be required for corporate representatives and attorneys.

5. Determination of voting entitlement

For the purpose of section 1074E(2)(g)(i) of the Corporations Act and Regulation 7.11.37 of the *Corporations Regulations* 2001 (Cth), the Board has determined that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm (AEST) on Monday, 10 April 2023.

6. Votes

Every resolution will be conducted by a poll.

On a poll, every member present in person or by attorney or by proxy or, in the case of a body corporate, by a representative, shall have one vote for each share held by him, her or it.

7. Questions and Comments by Shareholders at the Meeting

In order to provide an equal opportunity for all Shareholders to ask questions of the Board, we ask you to submit in writing any questions to the Company. Please send your questions via email to:

Chris Healy

Company Secretary

Titomic Limited

chris.healy@titomic.com

Your questions should relate to matters that are relevant to the business of the Extraordinary General Meeting, as outlined in this Notice of Meeting and Explanatory Memorandum.

During the course of the Extraordinary General Meeting, the Chairman will seek to address as many shareholder questions as reasonably practicable. However, there may not be sufficient time to answer all questions at the Extraordinary General Meeting. Please note that individual responses may not be sent to shareholders.

For and on behalf of the Board of Directors,

Chris Healy

Company Secretary

Dated: 9 March 2023

TITOMIC LIMITED

ACN: 602 793 644

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in this Notice.

The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

1. Resolution 1 Ratification of prior issue of Shares under the Placement

1.1. Background to the Placement

On 5 December 2022, the Company announced that it had received firm commitments from sophisticated and professional investors (who are all unrelated parties of the Company) to subscribe for 30,781,250 Shares (as well as 1,093,750 Shares to be issued to Directors subject to shareholder approval under Resolution 3 and 4 at this Meeting) at an issue price of \$0.16 per Share to raise \$5,100,000 (before costs) (**Placement**). The Placement includes a \$2,247,311 investment from Repkon Makina Kalip (**Repkon**) and investments from Directors, Mr Herbert Koeck and Mr Dag Stromme.

In respect of the Shares issued under the Placement (**Placement Shares**):

- a) 10,364,001 Shares were issued pursuant to the Company's 15% placement capacity under ASX Listing Rule 7.1; and
- b) 20,417,249 Shares were issued pursuant to the Company's 10% placement capacity under ASX Listing Rule 7.1A.

Subject to Shareholder approval being received under Resolutions 2 to 4, the Company agreed to grant 1 free attaching Option for every 2 Placement Shares subscribed for and issued (**Attaching Options**). The Attaching Options will have an exercise price of \$0.40 per Option and will expire three years from the date of issue. The Company will not seek quotation of the Attaching Options. Further terms of the Attaching Options are set out in **Schedule 1**.

The Company intends to apply the funds raised from the Placement:

- a) to support sales growth and expansion of machine assembly operations;
- b) to increase investment into joint venture operations;
- c) for costs of the Placement (including the Lead Managers' fees); and
- d) to fund working capital.

1.2. ASX Listing Rules 7.1, 7.1A and 7.4

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue, without approval of its shareholders, 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.

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

The Company obtained shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A at the annual general meeting held on 21 November 2022.

As the issue of Placement Shares does not fall within any of the specified exceptions to ASX Listing Rule 7.1 and has not yet been approved by Shareholders, the issue of Placement Shares used up part of the Company's 15% placement capacity under ASX Listing Rule 7.1 and 10% placement capacity under ASX Listing Rule 7.1A. This reduces the

Company's capacity to issue further equity securities without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

Under ASX Listing Rule 7.4, if a company's shareholders approve an issue of equity securities after it has been made or agreed to be made, that issue or agreement to issue equity securities is treated as having been made with Shareholder approval for the purposes of ASX Listing Rule 7.1 (provided that the issue or agreement did not breach ASX Listing Rule 7.1).

By ratifying the issue of the Placement Shares, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 and its 10% placement capacity under ASX Listing Rule 7.1A (as applicable), without the requirement to obtain prior Shareholder approval.

Accordingly, the Company is seeking Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Placement Shares the subject of Resolution 1.

If Resolution 1 is not passed, the Placement Shares will be included in calculating the Company's 15% placement capacity under ASX Listing Rule 7.1 and its 10% placement capacity under ASX Listing Rule 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of those securities.

If Resolution 1 is passed, the Company will be able to preserve its 15% placement capacity under ASX Listing Rule 7.1 and its 10% placement capacity under ASX Listing Rule 7.1A to allow a higher number of equity securities to be issued by the Company without prior Shareholder approval.

1.3. Information required by Listing Rule 7.5

In accordance with ASX Listing Rule 7.5, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 7.4, the following information is provided to Shareholders:

Recipients of Issue	Sophisticated and professional investors (as defined in sections 708(8) and 708(11) of the Corporations Act) introduced by the lead manager PAC Partners Securities Pty Ltd.
Number and Class of the Securities issued	30,781,250 Shares (excluding Shares to be issued to Directors to be approved in this Meeting)
Material terms of the Securities	Fully paid ordinary shares
Dates on which the Securities were issued	8 December 2022 for all Securities (save Repkon) and 23 February 2023 for Repkon Securities
Issue Price	\$0.16 per Share.
Purpose of the issue	The purpose of the Placement was to raise \$5,100,000 (before costs).
Intended use of funds	The Company intends to apply the funds raised from the Placement: a) to support sales growth and expansion of machine assembly operations; b) to increase investment into joint venture operations; c) for costs of the Placement (including the Lead Managers' fees); and d) to fund working capital.
Voting exclusion	A voting exclusion statement is included in Resolution 1 of this Notice

1.4. Board Recommendation

The Directors do not (save for as otherwise set out in this Notice) currently have any specific intention to make any further issue of securities without approval of shareholders under ASX Listing Rule 7.1 or 7.1A in the next 12 months, unless such issue falls under a relevant exception. However, the Directors believe that it is in the best interests of the Company to maintain its ability to issue securities under the relevant placement capacities as this will enhance the Company's flexibility to finance its operations through raising equity capital, should the Directors consider it to be in the best interests of the Company to do so.

Accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

2. Resolution 2 Approval of issue of Attaching Options under the Placement

2.1. Background to the Placement

Please refer to the background on the Attaching Options as noted in section 1.1 of this Explanatory Memorandum.

2.2. ASX Listing Rule 7.1

Resolution 2 seeks Shareholder approval for the purposes of ASX Listing Rule 7.1 for the issue of the 15,390,625 Attaching Options to investors under the Placement.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue, without approval of its shareholders, 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.

As announced on 5 December 2022, the issue of Attaching Options to investors under the Placement is subject to receiving shareholder approval under ASX Listing Rule 7.1

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Attaching Options under the Placement (subject to the passing of Resolutions 3 and 4 in respect of the issues of Attaching Options to Directors). In addition, the issue of the Attaching Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under ASX Listing Rule 7.1. If Resolution 2 is not passed, the Company will not be able to proceed with the issue of the Attaching Options.

2.3. Information required by ASX Listing Rule 7.3

In accordance with ASX Listing Rule 7.3, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 7.1, the following information is provided to Shareholders:

Recipients of Issue	Sophisticated and professional investors (as defined in sections 708(8) and 708(11) of the Corporations Act) introduced by the lead manager PAC Partners Securities Pty Ltd.
Number and Class of the Securities issued	15,390,625 Attaching Options (excluding Attaching Options to be issued to Directors to be approved in this Meeting)
Material terms of the Securities	The Attaching Options will be issued on the terms and conditions set out in Schedule 1 to this Notice.
Date on which the securities will be issued	No later than 3 months after the date of this Meeting
Issue price	Nil
Purpose of the issue	The Attaching Options are being issued as part of the Placement to raise \$5,100,000 (before costs).
Intended use of funds	The Company intends to apply the funds raised from the Placement: a) to support sales growth and expansion of machine assembly operations; b) to increase investment into joint venture operations; c) for costs of the Placement (including the Lead Managers' fees); and d) to fund working capital.
Voting exclusion	A voting exclusion statement is included in Resolution 2 of this Notice

2.4. Board Recommendation

The Directors unanimously recommend that Shareholders vote in favour of this Resolution 2.

3. Resolutions 3 & 4 Approval of issue of Placement Shares and Attaching Options to Mr Herbert Koeck and Mr Dag Stromme

3.1. Background

Each of Mr Herbert Koeck and Mr Dag Stromme applied to participate in the Placement subject to shareholder approval.

3.2. Listing Rule 10.11

Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party of the Company. The Directors are related parties of the Company. Accordingly, approval for the issue of securities to related parties of the Company is required pursuant to Listing Rule 10.11. As approval of Shareholders is being sought pursuant to Listing Rule 10.11, approval under Listing Rule 7.1 is not required in respect of the issues to Directors under the Placement.

3.3. Specific information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the approval of the issues of the Placement Shares and Attaching Options:

3.3.1. Number and class of securities to be issued to related parties

Director	Placement Price	Placement Shares	Attaching Options	Investment
Mr Herbert Koeck	\$0.16	625,000	312,500	\$100,000
Mr Dag Stromme*	\$0.16	468,750	234,375	\$75,000

*or his nominee

3.3.2. If the securities are not fully paid ordinary securities, a summary of the material terms of the securities

The Attaching Options will have an exercise price of \$0.40 per Option and will expire three years from the date of issue. The Company will not seek quotation of the Attaching Options. Further terms of the Attaching Options are set out in Schedule 1.

3.3.3. The date by which the Company will issue the securities

The Placement Shares and Attaching Options will be issued no later than one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).

3.3.4. Issue price

The Placement Shares will be issued at a price of \$0.16 per Placement Share and will rank equally with existing Shares from the date of issue. The issue or grant price for the Attaching Options is \$Nil.

3.3.5. Purpose of issue including use of funds

The Placement Shares and Attaching Options are being issued to the Directors for the same purpose as the issues to other investors under the Placement.

3.3.6. Voting exclusion statements

Voting exclusion statements are included in Resolutions 3 and 4 of this Notice

3.4. Board recommendation

Each Director, other than Mr Herbert Koeck and Mr Dag Stromme who abstain, believe that Resolutions 3 and 4 are in the best interests of the Company and recommend that Shareholders vote in favour of these Resolutions 3 and 4.

Each of Mr Herbert Koeck and Mr Dag Stromme do not make a recommendation to Shareholders on the Resolution relating to the Placement Shares and Attaching Options being issued to that Director, given they have a material interest in the outcome of that Resolution. However, they recommend that Shareholders vote in favour of the other Resolution relating to the issue of Placement Shares and Attaching Options to the other Director.

4. Resolution 5 Approval of issue of Lead Manager Options to the Lead Manager

4.1. Background

PAC Partners Securities Pty Ltd acted as lead manager to the Placement to raise \$5,100,000 (before costs) (**Lead Manager**). Their fees included:

- a 2.0% management fee on the gross cash proceeds raised under the Placement;
- a 4.0% placement fee on the capital introduced by the Lead Manager under the Placement, excluding that invested by Repkon; and
- 6,375,000 Lead Manager Options to be issued to the Lead Manager (or its nominee).

Subject to Shareholder approval being received under Resolution 5, the Company has agreed to grant 1 free attaching Option for every 5 Shares subscribed for and issued to investors under the Placement (**Lead Manager Options**). The Lead Manager Options will have an exercise price of \$0.40 per Option and will expire three years from the date of issue. The Company will not seek quotation of the Lead Manager Options. Further terms of the Lead Manager Options are set out in **Schedule 1**.

4.2. ASX Listing Rule 7.1

Resolution 5 seeks Shareholder approval for the purposes of ASX Listing Rule 7.1 for the issue of 6,375,000 Lead Manager Options.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue, without approval of its shareholders, 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.

The proposed issue of the Lead Manager Options does not fall within any of the exceptions in ASX Listing Rule 7.2 and exceeds the 15% limit in ASX Listing Rule 7.1. The proposed issue therefore requires approval under ASX Listing Rule 7.1.

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Lead Manager Options. In addition, the issue of the Lead Manager Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under ASX Listing Rule 7.1. If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the Lead Manager Options unless it has capacity under ASX Listing Rule 7.1 at some future time.

4.3. Information required by ASX Listing Rule 7.3

In accordance with ASX Listing Rule 7.3, which contains requirements as to the contents of a notice sent to shareholders for the purposes of ASX Listing Rule 7.1, the following information is provided to Shareholders:

Recipients of Issue	PAC Partners Securities Pty Ltd (or its nominee)
Number and Class of the Securities issued	6,375,000 Lead Manager Options
Material terms of the Securities	The Lead Manager Options will be issued on the terms and conditions set out in Schedule 1 to this Notice.
Date on which the securities will be issued	No later than 3 months after the date of this Meeting

Issue price	Nil
Purpose of the issue	The Lead Manager Options are being issued to the Lead Manager as part of the fees for the Placement to raise \$5,100,000 (before costs).
Intended use of funds	Any amount raised on the exercise of the Options will be used: a) to support sales growth and expansion of machine assembly operations; b) to increase investment into joint venture operations; and c) to fund working capital.
Voting exclusion	A voting exclusion statement is included in Resolution 5 of this Notice

4.4. Board Recommendation

The Directors unanimously recommend that you vote in favour of this Resolution 5.

4.5. Further information

The Directors are not aware of any other information which is relevant to the consideration by members of the proposed resolutions set out in this Notice of Meeting.

5. Resolution 6 Approval of issue of Shares to Mr Herbert Koeck

5.1. Background

The Board of Titomic has resolved, and Mr Herbert Koeck has agreed, subject to shareholder approval, to remunerate Mr Koeck such that 5% of his total cash remuneration package for the financial year commencing 1 July 2022 for services provided as a Director of the Company will be received by way of the issue of fully paid ordinary shares in the Company.

The table below sets out Mr Koeck's proposed cash remuneration package for the financial year commencing 1 July 2022, with the equity remuneration component proposed to be made in respect of the second half of the financial year (1 January 2023 - 30 June 2023):

	Full Year Cash Remuneration 1 Jul 2022 to 30 Jun 2023	Half Year Cash Remuneration 1 Jul 2022 to 31 Dec 2022	Proposed Half Year Cash Remuneration 1 Jan 2023 to 30 Jun 2023
Cash remuneration (to be paid in cash)	\$427,500	\$225,000	\$202,500
Cash remuneration (to be issued as Shares in lieu of cash)	\$22,500	-	\$22,500
Total cash remuneration package	\$450,000	\$225,000	\$225,000

The figures stated in the table above exclude superannuation, leave entitlements and cash bonus / incentive payments (if any).

The deemed issue price of the Shares to be issued to Mr Koeck as equity remuneration will be calculated based on the Company's 15-day Volume Weighted Average Price (VWAP) per share on 15 April 2023.

The Shares are to be issued to Mr Koeck in lieu of the value of the Shares being paid to Mr Koeck as cash remuneration.

5.2. Chapter 2E Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless the giving of the financial benefit falls within one of the relevant exceptions, or prior shareholder approval is obtained to the giving of the financial benefit.

The Board has formed the view that the issue of the Shares does not require shareholder approval under section 208 of the Corporations Act, as the issue constitutes 'reasonable remuneration' in accordance with section 211 of the Corporations Act.

In reaching this view, the Company has considered the role and responsibility of the Director and the need of the Company to effectively incentivise its Directors, while aligning the incentive with increasing shareholder value and the desirability of preserving cash resources within the Company.

The Board believes that the proposed issuance of Shares, provides a cost-effective form of remuneration for the Director which aligns their interests to improved overall shareholder value.

5.3. ASX Listing Rule 10.11

Please refer to section 3.2 of this Explanatory Memorandum for further background on ASX Listing Rule 10.11.

5.4. Specific information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the approval of the issues of the Shares to Mr Herbert Koeck:

5.4.1. Number and class of securities to be issued to related parties

If shareholder approval is received, Titomic will issue fully-paid ordinary shares to Mr Koeck as follows:

$$NS = \frac{22,500}{IP} \text{ where:}$$

NS means the number of shares to be issued to Mr Koeck (or his nominee); and

IP means the issue price calculated based on the Company's 15-day Volume Weighted Average Price (**VWAP**) per share on 15 April 2023.

5.4.2. The date by which the Company will issue the securities

The Shares will be issued no later than one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).

5.4.3. Issue price

The Shares will be issued at an issue price calculated based on the Company's 15-day VWAP per share on 15 April 2023.

5.4.4. Purpose of issue including use of funds

The Shares are being issued to the Director as remuneration in lieu of cash. No funds will be raised from the issue of Shares.

5.4.5. Director's total remuneration package

See section 5.1 of this Explanatory Memorandum.

5.4.6. Voting exclusion statements

A voting exclusion statement is included in Resolutions 6 of this Notice.

5.5. Board recommendation

Each Director, other than Mr Herbert Koeck who abstains, believe that Resolutions 6 is in the best interests of the Company and recommend that Shareholders vote in favour of this Resolution 6.

GLOSSARY

In the Notice of Meeting and Explanatory Memorandum the following terms have the following meanings:

AEST means Australian Eastern Standard Time.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

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

Board means the board of directors of the Company.

Chairman means the person chairing the Meeting from time to time.

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

- a spouse or child of the member; or
- a child of the member's spouse; or
- a dependent of the member or of the member's spouse; or
- anyone else who is one of the member's family, and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- a company the member controls; or
- a person prescribed by the *Corporations Regulations 2001* (Cth).

Company or **Titomic** or **TTT** means Titomic Limited (ACN 602 793 644).

Constitution means the Company's constitution.

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

Director means a current director of the Company.

Explanatory Memorandum means the explanatory memorandum to this Notice of Meeting.

Key Management Personnel means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Directors.

Meeting means the Extraordinary General Meeting of the Shareholders of the Company to be held at 11:30am on Wednesday, 12 April 2023, to which the Notice of Meeting and Explanatory Memorandum relate.

Notice or **Notice of Meeting** means this notice of meeting of the Company.

Option means an option to acquire a Share.

Resolution means a resolution referred to in the Notice.

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

Shareholder means a holder of Shares.

Words importing the singular include the plural and vice versa. All references to currency are in Australian dollars.

Schedule 1 - Option Terms and Conditions

1. Entitlement

- (a) Titomic Limited (ACN 602 793 644) of Ground Floor, 365 Ferntree Gully Rd, Mount Waverley VIC 3149 (**Company**) will issue options over fully paid ordinary shares in the Company (**Shares**) to the option holders (**Optionholder**), which entitles the Optionholder to subscribe for one Share for each option at the exercise price specified in clause 3, during the option period specified in clause 4 of this Schedule (**Options**).
- (b) The Options are not transferrable.

2. Issue price

No amount is payable on issue of the Options.

3. Exercise price

The exercise price of an Option is A\$0.40.

4. Option period and vesting

- (a) Any Options not exercised will lapse three years from the date of issue.
- (b) The Options may be exercised in part or in whole at any time after the vesting of the Options and if not exercised, the Options automatically expire 3 years from the date of issue.
- (c) The Options are fully vested at the date of issue.

5. Participation rights, bonus issues, rights issues and reorganisations

5.1 Participation

The Optionholder is not entitled to participate in any new issue to existing shareholders of securities in the Company unless the Optionholder has exercised its Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding shares.

5.2 Notice of new issue

The Company must give the Optionholder, in accordance with the ASX Listing Rules, notice of:

- (a) the proposed terms of the issue or offer proposed under clause 5.1 of this Schedule; and
- (b) where the option can be exercised by the Optionholder, the right to exercise his option under clause 5.1 of this Schedule.

5.3 Bonus issues

If the Company makes a bonus issue of shares or other securities to shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the option is exercisable is increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the option before the record date for determining entitlements to the issue.

5.4 Pro rata issues

If the Company makes a pro rata issue of Shares (except a bonus issue) to existing shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the option before the record date for determining entitlements to the issue, the exercise price of each option is reduced in accordance with the ASX Listing Rules.

5.5 Reorganisation

If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Optionholder (including the number of options to which the Optionholder is entitled to and the exercise price) is changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

5.6 Calculations and adjustments

Any calculations or adjustments which are required to be made under clause 5 of this Schedule will be made by the Board of the Company and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Optionholder.

5.7 Notice of change

The Company must within a reasonable period give to the Optionholder notice of any change under clause 5 of this Schedule to the exercise price of any options held by the Optionholder or the number of shares which the Optionholder is entitled to subscribe for on exercise of an option.

6. Method of exercise of options

6.1 Method and payment

To exercise options, the Optionholder must give the Company or its share registry, at the same time:

- (a) a written exercise notice (in the form approved by the board of the Company from time to time) specifying the number of options being exercised and shares to be issued; and
- (b) payment of the exercise price for the Shares the subject of the exercise notice by way of bank cheque or by other means of payment approved by the Company.

6.2 Exercise of Options

- (a) The Optionholder may exercise the Options in part or in whole.
- (b) Options will be deemed to have been exercised on the date the application is lodged with the directors of the Company.

6.3 Issue of Shares

Within 10 days after receiving an application for exercise of options and payment by the Optionholder of the exercise price, the Company must issue the Optionholder the number of Shares specified in the application.

7. Ranking of Shares issued on exercise of options

Subject to the Company's constitution, all Shares issued on the exercise of Options rank in all respects (including rights relating to dividends) pari passu with the existing Shares at the date of issue.

8. Quotation

- (a) The Company will not apply to ASX Limited for official quotation of the Options.
- (b) The Company will apply to ASX Limited for official quotation of the Shares issued on exercise of Options.

9. Deferral of Exercise if resulting in a prohibited acquisition of Shares

- (a) If the exercise of an Option would result in any person being in contravention of section 606(1) of the Corporations Act (**Prohibition**), the exercise of those Options shall be deferred until such time or times when the exercise would not result in a contravention of the Prohibition. In assessing whether the exercise of an Option would result in any person being in contravention of the Prohibition:

- (i) Optionholders may give written notice to the Company if they consider that the exercise of an Option may result in contravention of the Prohibition. The absence of such written notice from the Holder will entitle the Company to assume that the exercise of an Option will not result in any person being in contravention of the Prohibition.
- (ii) the Company may (but is not obliged to) by written notice to an Optionholder request that an Optionholder provides the written notice referred to in paragraph (i) within 7 days if the Company considers that the exercise of an Option may result in the contravention of the Prohibition. The absence of such written notice from the Optionholder will entitle the Company to assume that the exercise by Optionholder will not result in any person being in contravention of the Prohibition.

10. Control events

Options issued to an Optionholder may be immediately exercised and Shares issued to the Optionholder at the total discretion of the Board of the Company on the occurrence of any of the following events:

- (a) a Takeover Bid is made to acquire all or some of the ordinary shares in the capital of the Company and the directors of the Company recommend to shareholders that the Takeover Bid be accepted;
- (b) a court approves a Scheme of Arrangement which would result in a person having a Relevant Interest in more than 50% of the ordinary shares in the capital of the Company; or
- (c) the Company announces to the ASX an intention to sell all or substantially all of its business undertakings or assets.

11. Definitions:

- (a) **Corporations Act** means the *Corporations Act 2001* (Cth).
- (b) **Dollar** means an Australian dollar.
- (c) **Relevant Interest** has the meaning given to it in the Corporations Act.
- (d) **Scheme of Arrangement** has the meaning given to it in the Corporations Act.
- (e) **Takeover Bid** has the meaning given to it in the Corporations Act.