
VONEX LIMITED

ACN 063 074 635

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10:00am (WST)

DATE: Friday, 27 November 2020

PLACE: Level 8, 99 St Georges Terrace
Perth WA 6000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting. Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9486 4036. Shareholders can access a copy of the Notice at the following link: www.vonex.com.au.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10:00am (WST) on Friday, 27 November 2020 at Level 8, 99 St Georges Terrace, Perth WA 6000

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 5:00pm (WST) on Wednesday, 25 November 2020.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting at the time, date and place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the 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; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Voting Prohibition

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 Resolution 1 if the person is either:

- a member of the Key Management Personnel of the Company; or
 - a Closely Related Party of such a member, and
- the appointment does not specify the way the proxy is to vote on Resolution 1.

However, the prohibition does not apply if the proxy is the Chair and the appointment expressly authorises the Chair to exercise the proxy even if Resolution 1 is connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

VOTING VIA POLL

All Resolutions under this Notice will be determined by poll.

SUBMITTING QUESTIONS

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at dan@vonex.com.au by 5:00 pm (WST) on Wednesday, 25 November 2020.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. Shareholders are limited to a maximum of two questions each (including any submitted in advance of the Meeting).

The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

BUSINESS OF THE MEETING

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the directors, the Directors' Report, the Remuneration Report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2020."

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

Voting Exclusion Statement:

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

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

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (d) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MS WINNIE LAI HADAD

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

"That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Ms Winnie Lai Hadad, a Director, retires by rotation, and being eligible, is re-elected as a Director."

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR JASON GOMERSALL

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

"That, Mr Jason Gomersall, having been appointed by the Directors on 28 February 2020 until this Annual General Meeting, retires in accordance with clause 13.4 of the Constitution and having offered himself for re-election and being eligible, is hereby re-elected as a Director."

4. RESOLUTION 4 – APPROVAL OF VONEX LIMITED' SECURITIES INCENTIVE PLAN

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

"That, pursuant to and in accordance with Listing Rule 7.2 (Exception 13(b)) and for all other purposes, the Company's employee incentive plan titled "Vonex Incentive Plan" is approved and the Company is authorised to issue Performance Rights, Options and Shares on exercise of Options in accordance with the Vonex Incentive Plan, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

Under Listing Rule 14.11, the Company will disregard any votes cast on this Resolution by or on behalf of the following persons:

- (a) a person who is eligible to participate in the employee incentive scheme; or
- (b) any of their respective associates.

However, this does not apply to a vote cast in favor of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) 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
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement

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:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or

- (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

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

The Chairman intends to exercise all undirected proxies **IN FAVOUR** of Resolution 4.

5. RESOLUTION 5 - ISSUE OF DIRECTOR OPTIONS TO MR MATTHEW FAHEY

To consider and, if thought fit, to pass, with or without amendment, the following as an **Ordinary Resolution**:

"That, for the purposes of section 195(4) of the Corporations Act, Chapter 2E of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the grant of up to 3,000,000 Director Options to Mr Matthew Fahey (or his nominee) on the terms and conditions set out in the Explanatory Statement".

Voting Exclusion Statement:

Under Listing Rule 14.11, the Company will disregard any votes cast on this Resolution in favour of or on behalf of the following persons:

- (a) Matthew Fahey (or his nominee); or
- (b) an associate of those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) 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
- (b) 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) 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
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6. RESOLUTION 6 - ISSUE OF DIRECTOR OPTIONS TO MR NICHOLAS ONG

To consider and, if thought fit, to pass, with or without amendment, the following as an **Ordinary Resolution**:

"That, for the purposes of section 195(4) of the Corporations Act, Chapter 2E of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the grant of up to 2,500,000 Director Options to Mr Nicholas Ong (or his nominee) on the terms and conditions set out in the Explanatory Statement".

Voting Exclusion Statement:

Under Listing Rule 14.11, the Company will disregard any votes cast on this Resolution in favour of or on behalf of the following persons:

- (a) Nicholas Ong (or his nominee); or
- (b) an associate of those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) 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
- (b) 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) 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
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

7. RESOLUTION 7 - ISSUE OF DIRECTOR OPTIONS TO MR DAVID VILENSKY

To consider and, if thought fit, to pass, with or without amendment, the following as an **Ordinary Resolution**:

"That, for the purposes of section 195(4) of the Corporations Act, Chapter 2E of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the grant of up to 1,500,000 Director Options to Mr David Vilensky (or his nominee) on the terms and conditions set out in the Explanatory Statement".

Voting Exclusion Statement:

Under Listing Rule 14.11, the Company will disregard any votes cast on this Resolution in favour of or on behalf of the following persons:

- (a) David Vilensky (or his nominee); or
- (b) an associate of those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) 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
- (b) 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

- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) 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
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

8. RESOLUTION 8 - ISSUE OF DIRECTOR OPTIONS TO MS WINNIE LAI HADAD

To consider and, if thought fit, to pass, with or without amendment, the following as an **Ordinary Resolution**:

"That, for the purposes of section 195(4) of the Corporations Act, Chapter 2E of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the grant of up to 1,500,000 Director Options to Ms Winnie Lai Hadad (or her nominee) on the terms and conditions set out in the Explanatory Statement".

Voting Exclusion Statement:

Under Listing Rule 14.11, the Company will disregard any votes cast on this Resolution in favour of or on behalf of the following persons:

- (a) Winnie Lai Hadad (or her nominee); or
- (b) an associate of those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) 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
- (b) 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) 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
 - (iii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

9. RESOLUTION 9 - ISSUE OF DIRECTOR OPTIONS TO MR JASON GOMERSALL

To consider and, if thought fit, to pass, with or without amendment, the following as an **Ordinary Resolution**:

"That, for the purposes of section 195(4) of the Corporations Act, Chapter 2E of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the grant of up to 1,500,000 Director Options to Mr Jason Gomersall (or his nominee) on the terms and conditions set out in the Explanatory Statement".

Voting Exclusion Statement:

Under Listing Rule 14.11, the Company will disregard any votes cast on this Resolution in favour of or on behalf of the following persons:

- (a) Jason Gomersall (or his nominee); or
- (b) an associate of those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) 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
- (b) 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) 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
 - (iv) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

10. RESOLUTION 10 – RATIFICATION OF SHARES ISSUED TO S3 CORPORATION PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"That, for the purpose of Listing Rule 7.4 and for all other purposes, the Shareholders ratify the prior issue of 1,600,000 Shares issued pursuant to ASX Listing Rule 7.1, at a deemed issue price of 10 cents per Share to S3 Corporation Pty Ltd, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

Under Listing Rule 14.11, the Company will disregard any votes cast on this Resolution in favour of or on behalf of the following persons:

- (a) S3 Corporation Pty Ltd (or their nominee); or
- (b) an associate of S3 Corporation Pty Ltd.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) 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
- (b) 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) 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

- (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

11. RESOLUTION 11 – RATIFICATION OF SHARES ISSUED TO MRS SUMAIYA FATHIMA SHAIK

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"That, for the purpose of Listing Rule 7.4 and for all other purposes, the Shareholders ratify the prior issue of 150,000 Shares issued pursuant to ASX Listing Rule 7.1, at a deemed issue price of 13.6 cents per Share to Mrs Sumaiya Fathima Shaik, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

Under Listing Rule 14.11, the Company will disregard any votes cast on this Resolution in favour of or on behalf of the following persons:

- (a) Mrs Sumaiya Fathima Shaik (or their nominee); or
- (b) an associate of those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) 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
- (b) 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) 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
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

DATED: 27 OCTOBER 2020

BY ORDER OF THE BOARD

DANIEL SMITH

COMPANY SECRETARY

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the directors, the Directors' Report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <https://investors.vonex.com.au/asx-announcements/> or by contacting the Company on (08) 9486 4036.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The Remuneration Report sets out the Company's remuneration arrangements for the directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the annual financial report of the Company for the financial year ended 30 June 2020.

The Chair of the meeting will allow a reasonable opportunity for Shareholders to ask questions about or make comments on the Remuneration Report at the Meeting.

2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (other than the managing director) who were in office at the date of approval of the applicable directors' report (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, 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 those persons whose election or re-election as directors of the Company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the Remuneration Report considered at that annual general meeting were more than 25%. Accordingly, the Spill Resolution is relevant for this Annual General Meeting.

2.4 Chair voting undirected proxies

The Chair intends to exercise all undirected proxies in favour of Resolution 1. If the Chair of the Meeting is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MS WINNIE LAI HADAD

Clause 13.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director except a Managing Director shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself for re-election. The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

The Company currently has five (5) Directors. As one of the five directors is the Managing Director and Mr Jason Gomersall's re-election is subject to Resolution 3, only one (1) must retire. Ms Winnie Lai Hadad, the Director longest in office since her last election, retires by rotation and seeks re-election.

The Board (other than Ms Lai Hadad) unanimously supports the re-election of Ms Lai Hadad pursuant to Resolution 2.

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR JASON GOMERSALL

Clause 13.4 of the Constitution requires that a person appointed as a Director during the period shall hold office only until the next general meeting and is then eligible for re-election.

Mr Jason Gomersall is a former Director of 2SG Wholesale and is the Founder, CEO and Managing Director of i-Seek Communications. Jason has long been at the forefront of the telecommunications industry and the mobile phone market since being one of the foundation franchisees of the Optus World chain of retail stores in the 1990s.

Mr Gomersall was appointed Non-Executive Director on 28 February 2020 and seeks re-election.

The Board (other than Mr Gomersall) unanimously supports the re-election of Mr Gomersall pursuant to Resolution 3.

5. RESOLUTION 4 – APPROVAL OF VONEX LIMITED'S INCENTIVE PLAN

5.1 Background

The aim of the Incentive Plan is to allow the Board to assist eligible participants who, in the Board's opinion, are dedicated and will provide ongoing commitment and effort to the Company. Participants in the Incentive Plan may include full-time or permanent part-time employees of the Company or a related body corporate (which includes Directors, the Company Secretary and officers), or such other persons as the Board determines, including contractors of the Group (**Eligible Participants**).

The Incentive Plan is subject to the Corporations Act, including that financial benefits (including issues of securities under the Incentive Plan) issued to related parties require prior shareholder approval under Chapter 2E of the Corporations Act, unless an exception applies. See below for further information on Chapter 2E.

The Board believes that grants to Eligible Participants under the Incentive Plan will provide a powerful tool to underpin the Company's employment and engagement strategy, and that the implementation of the Incentive Plan will:

- (a) enable the Company to recruit, incentivise and retain key personnel needed to achieve the Company's business objectives;
- (b) link the reward of key personnel with the achievements of strategic goals and the long-term performance of the Company;
- (c) align the financial interest of participants of the Incentive Plan with those of Shareholders; and
- (d) provide incentives to participants of the Incentive Plan to focus on superior performance that creates Shareholder value.

The key features of the Incentive Plan are as follows:

- (e) The Board will determine the number of Incentive Options (or Performance Rights as applicable) to be granted to Eligible Participants (or their nominees), the vesting conditions (if any) and expiry date of the Incentive Options at its sole discretion. As at the date of this Notice, the Board intends to cap the maximum number of equity securities issued under the Incentive Scheme within the three-year period from the date of passing of Resolution 4 is 20,000,000 securities.;
- (f) The Incentive Options, once granted, will not be transferable unless the Board determines otherwise or a transfer is required by law and provided that the transfer complies with the Corporations Act;
- (g) Subject to the Corporations Act and the ASX Listing Rules and restrictions on reducing the rights of a holder of Incentive Options, the Board will have the power to amend the Incentive Plan as it sees fit.

As at the date of this Notice, no securities have been issued under the Incentive Plan.

Details of any securities issued pursuant to the Incentive Plan will be published in the Company's Annual Report relating to the period in which they were issued.

If Resolution 4 is passed, any issue of securities pursuant to the Incentive Plan will be excluded in calculating the Company's 15% limit under Listing Rule 7.1,

effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 months following the issue.

If Resolution 4 is not passed, the issue of securities pursuant to the Incentive Plan will be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively limiting the number of Equity Securities it can issue without Shareholder approval over the 12 months following the issue.

5.2 Specific information required by Listing Rule 7.2, Exception 13(b)

Pursuant to and in accordance with Listing Rule 7.2, Exception 13(b), a detailed overview of the terms of the Incentive Plan is attached in **Annexure A**. A copy of the Incentive Plan may be obtained by contacting the Company.

6. RESOLUTIONS 5 TO 9 - GRANT OF DIRECTOR OPTIONS TO RELATED PARTIES

6.1 Details of the proposed grant of options to Directors

Subject to obtaining Shareholder approval in respect of Resolutions 5 to 9, the Company proposes to issue Options (**Directors Options**) to the Directors as follows:

Directors	Number of Directors Options
Matthey Fahey	3,000,000 Directors Options
Nicholas Ong	2,500,000 Directors Options
David Vilensky	1,500,000 Directors Options
Winnie Lai Hadad	1,500,000 Directors Options
Jason Gomersall	1,500,000 Directors Options

The Directors Options have an exercise price of 45% premium to the five-day weighted average price at which the Company's Shares have traded immediately prior to the date of grant and expire at 5:00 pm (WST) on that date which is three (3) years after the date that they are issued and are otherwise subject to the terms set out in Annexure B.

The Director Options proposed to be issued form part of the remuneration planning of the directors.

The primary purpose of the grant of the Directors Options to the Directors is to provide an attractive remuneration package for the Directors to motivate and reward the performance of the Directors. In particular:

- (a) the grant of Directors Options to the Directors will align the interests of the Directors with those of Shareholders;
- (b) the grant of the Directors Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its

operations than it would if alternative cash forms of remuneration were given to the Directors; and

- (c) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Directors Options upon the terms proposed.

6.2 Approval for the purposes of the ASX Listing Rules and the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Related party is widely defined under the Corporations Act, and includes directors of a company. Financial benefit is defined broadly and includes benefits from the public company's subsidiaries. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. The Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate.

The grant of the Directors Options to the Directors constitutes giving a financial benefit to related parties of the Company.

Section 195(4) of the Corporations Act provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a material personal interest are being considered, except in certain circumstances or unless non-interested directors pass a resolution approving the interested director's participation.

Given approval is being sought for the grant of Directors Options to all Directors (or their nominees) pursuant to Resolutions 5 to 9, each of the Directors (comprising the Board) having a material personal interest in the outcomes of Resolutions 5 to 9, a quorum could not be formed to consider the matters contemplated by Resolutions 5 to 9 at Board level. The Board therefore proposes to seek shareholder approval for such issues.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The proposed issue of the Directors Options to the above-mentioned related parties fall within Listing Rule 10.11.1 and none of the exceptions under Listing Rule 10.12 applies, therefore it requires Shareholder approval under Listing Rule 10.11. Resolutions 5 to 9 seek Shareholder approval under Listing Rule 10.11 for the issue of Directors Options to the above-mentioned related parties.

If approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1. Shareholder approval of the issue of the Directors Options to the above related parties under Listing Rule 10.11 means that these issues will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

If each of Resolutions 5 to 9 are passed, the Company will be able to proceed with the issue of securities to the above related parties without those securities being included in the 15% limit under Listing Rules 7.1. If each of Resolutions 5, to 9 are not passed, the Company will not be able to proceed with the issues, and will seek alternative arrangement to remunerate those related parties.

The effect of the proposed issues on the capital structure of the Company is set out in 6.4(f) below.

6.3 Information required by the ASX Listing Rules

For the purpose of the approval sought under ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Director Options under Resolutions 5 to 9:

- (a) The persons participating in the proposed issues/grants of the Directors Options are Matthey Fahey, Nicholas Ong, David Vilensky, Winnie Lai Hadad and Jason Gomersall (or their nominees), each of whom is a related party by virtual of being a Director
- (b) Each of the persons is a Director, and is therefore a related party of the Company and subject to Listing Rule 10.11.1;
- (c) the maximum number of securities to be issued pursuant to Resolutions 5 to 9 is 10,000,000 Director Options, with the details set out in 6.1 above;
- (d) The securities to be issued are Directors Options exercisable at 45% premium to the 5-day VWAP before the date of the grant of the Directors Options each and expire at 5:00 pm (WST) on that date which is three (3) years after the date that they are issued, and otherwise on terms are set out in Annexure B. Securities issued upon the exercise of the Directors Options are fully paid ordinary shares in the capital of the Company, ranking equally with existing Shares on issue.
- (e) The remuneration of the Directors for the last two financial years is set out in section 6.4(g) below.
- (f) The Director Options are not being issued under an agreement.
- (g) A voting exclusion statement is included in the Notice of Meeting.
- (h) the Director Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- (i) The securities will be issued as part remuneration to the Directors, no funds will be raised from the issue. Funds raised from the exercise of the Directors Options will be used towards the working capital of the Company.

6.4 Information required by Chapter 2E of the Corporations Act

Pursuant to, and in accordance with the requirements of Chapter 2E, and in particular section 219 of the Corporations Act, the following information is provided for the purposes of obtaining Shareholder approval for Resolutions 5 to 9:

- (a) the related parties to whom a financial benefit is proposed to be given are Matthey Fahey, Nicholas Ong, David Vilensky, Winnie Lai Hadad and Jason Gomersall (or their nominees), who are Directors of the Company.

- (b) The nature of the financial benefit proposed to be given to Messer's Matthey Fahey, Nicholas Ong, David Vilensky, Winnie Lai Hadad and Jason Gomersall is the grant of, in aggregate, 10,000,000 Director Options, as follows:

Resolution	Director	Number of Incentive Options	Indicative Value
5	Matthey Fahey	3,000,000	\$ 303,547.32
6	Nicholas Ong	2,500,000	\$ 252,956.10
7	David Vilensky	1,500,000	\$ 151,773.66
8	Winnie Lai Hadad	1,500,000	\$ 151,773.66
9	Jason Gomersall	1,500,000	\$ 151,773.66

- (c) The Director Options will be granted on the specific terms and conditions set out in Annexure B of this Explanatory Statement. The Director Options have an exercise price of a 45% premium to the 5-day VWAP per Share prior to their date of issue and an expiry date of 3 years from the date of their issue as set out in the table below:

Director	Number of Director Options	Exercise Price (cents)	Expiry Date
Matthey Fahey	3,000,000	A 45% premium to the 5-day VWAP prior to the date of issue	3 years from issue
Nicholas Ong	2,500,000	A 45% premium to the 5-day VWAP prior to the date of issue	3 years from issue
David Vilensky	1,500,000	A 45% premium to the 5-day VWAP prior to the date of issue	3 years from issue
Winnie Lai Hadad	1,500,000	A 45% premium to the 5-day VWAP prior to the date of issue	3 years from issue
Jason Gomersall	1,500,000	A 45% premium to the 5-day VWAP prior to the date of issue	3 years from issue

- (d) No funds will be raised from the grant of the Director Options. If all Director Options proposed to be issued pursuant to Resolutions 5 to 9 are exercised, an amount of \$2,175,000 will be raised and used to provide additional working capital for the Company.

- (e) Reasons for giving the benefit:

The reason for giving the benefit is set out in section 6.1 above.

- (f) Each of the directors have any interest in the outcome of Resolutions 5 to 9 and will be issued with the Director Options set out above if the Resolutions are passed.

- (g) Directors' remuneration packages for the previous two years:

Director	2019/2020 Financial Year	2018/2019 Financial Year
Matthey Fahey	\$335,047	\$346,189
Nicholas Ong	\$252,563	\$207,372
David Vilensky	\$252,563	\$207,372
Winnie Lai Hadad	\$62,415	\$65,700
Jason Gomersall	\$18,615	Nil

1. Matthey Fahey was appointed as an Executive Director on 14 June 2016.
2. Nicholas Ong was appointed a Non-executive Chairman on 14 June 2016.
3. David Vilensky was appointed a Non-executive Director on 14 June 2016.
4. Winnie Lai Hadad was appointed a Non-executive Director on 1 January 2018.
5. Jason Gomersall was appointed a Non-executive Director on 28 February 2020.

(h) The securities currently held by Matthey Fahey, Nicholas Ong, David Vilensky, Winnie Lai Hadad and Jason Gomersall and those that may be issued subject to Shareholder approval at the Meeting are set out in the table below:

Director	Existing Shares	Existing Performance Rights/Shares	Existing Options	New Director Options (subject to shareholder approval under Resolutions 5 to 9)
Matthey Fahey	6,408,291	8,830,000	-	3,000,000
Nicholas Ong	2,644,645	2,550,000	-	2,500,000
David Vilensky	2,550,000	2,550,000	-	1,500,000
Winnie Lai Hadad	-	-	-	1,500,000
Jason Gomersall	-	-	-	1,500,000

- (i) The Company's issued share capital will not change as a result of the issue of the Director Options. The dilution effect on Shareholders, if all Incentive Options the subject of Resolutions 5 to 9 are exercised, and no other options are exercised and no other Shares are issued, will be 5% as set out below.

	Shares (ASX:VN8)
Shares currently on issue	187,509,152
Resolution 5 – Grant of Director Options to to Matthew Fahey	3,000,000
Resolution 6 - Grant of Director Options to to Nicholas Ong	2,500,000
Resolution 7 - Grant of Director Options to David Vilensky	1,500,000
Resolution 8 - Grant of Director Options to Winnie Lai Hadad	1,500,000
Resolution 9 - Grant of Director Options to Jason Gomersall	1,500,000
Expanded Capital if all Director Options proposed in this Notice of Meeting are exercised	197,509,152
Dilutionary effect of Director Options	5%

- (j) In the 12 months prior to the date of this Notice of Meeting, the highest, lowest and latest practicable trading price (as at 21 October 2020) of the Shares on ASX are as set out below:

	Shares (ASX:VN8)
Highest (29 September 2020)	\$ 0.19
Lowest (24 March 2020)	\$ 0.06
Latest (26 October 2020)	\$ 0.16

- (k) Valuation of the financial benefit to be given: the value of the Directors Options and the pricing methodology is set out in Annexure C.

- (l) Directors' recommendation and basis of recommendation:

The Directors refrain from making a recommendation in relation to Resolutions 5 to 9 as they have a personal interest in the Resolutions.

6.5 Other information

There are no material opportunity costs to the Company, no taxation consequences to the Company and no material benefits foregone by the Company in granting the Director Options to the Directors.

The Directors are not aware of any information, other than the information set out in this Explanatory Statement that would reasonably be required by Shareholders in order to decide whether or not it is in the Company's interests to pass Resolutions 5 to 9.

7. RESOLUTION 10 – RATIFICATION OF SHARES ISSUED TO S3 CORPORATION PTY LTD

7.1 Background

On 18 September 2020, the Company announced that it issued 1,600,000 ordinary shares at a deemed issue price of \$0.125 per share to a service provider in lieu of a cash payment (**Advisor Shares**). The Advisor Shares were issued to S3 Corporation Pty Ltd for the provision of investor relations and marketing services over a 12-month period. The Advisor Shares were issued out of the Company's ASX Listing Rule 7.1 capacity.

Resolution 10 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Advisor Shares, as set out below.

7.2 ASX Listing Rule Requirements

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying these issues, 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 without the requirement to obtain prior Shareholder approval.

7.3 Technical information required by ASX Listing Rule 7.4

In compliance with the information requirements of ASX Listing Rule 7.5, Shareholders are advised of the following in relation to the ratification of the Advisor Shares:

- (a) number of securities issued: 1,600,000 Advisor Shares were issued to S3 Corporation Pty Ltd pursuant to ASX Listing Rule 7.1;
- (b) the deemed issue price of the Advisor Shares was 12.5 cents per Share;
- (c) the Shares are ordinary fully paid shares in the capital of the Company and rank equally in all respects with the existing Shares on issue;
- (d) the Shares were issued to S3 Corporation Pty Ltd, who is not a related party of the Company.
- (e) the Advisor Shares were issued on 18 September 2020; and
- (f) no funds were raised through the issue of the Advisor Shares.

A voting exclusion statement is included in the Notice.

If resolution 10 is passed, the Issue will be excluded in calculating Vonex's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Issue Date.

If resolution 10 is not passed, the Issue will be included in calculating Vonex's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Issue Date.

7.4 Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 10 as this will preserve the Company's 15% annual limit permitted by ASX Listing Rule 7.1.

8. RESOLUTION 11 - RATIFICATION OF SHARES ISSUED TO MRS SUMAIYA FATHIMA SHAIK

8.1 Background

On 18 September 2020, the Company announced that it issued 150,000 ordinary shares at a deemed issue price of \$0.136 per share to an employee of the Company upon the conversion of certain employee leave entitlements (**Leave Conversion Shares**). The Leave Conversion Shares were issued out of the Company's ASX Listing Rule 7.1 capacity.

Resolution 11 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Leave Conversion Shares, as set out below.

8.2 ASX Listing Rule Requirements

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying these issues, 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 without the requirement to obtain prior Shareholder approval.

8.3 Technical information required by ASX Listing Rule 7.4

In compliance with the information requirements of ASX Listing Rule 7.5, Shareholders are advised of the following in relation to the ratification of the Leave Conversion Shares:

- (a) number of securities issued: 150,000 Leave Conversion Shares were issued to Mrs Sumaiya Fathima Shaik pursuant to ASX Listing Rule 7.1;
- (b) the deemed issue price of the Leave Conversion Shares was 13.6 cents per Share;
- (c) the Shares are ordinary fully paid shares in the capital of the Company and rank equally in all respects with the existing Shares on issue;
- (d) the Shares were issued to a nominee of an employee of the Company but not a related party of the Company.
- (e) the Leave Conversion Shares were issued on 18 September 2020; and
- (f) no funds were raised through the issue of the Leave Conversion Shares.

A voting exclusion statement is included in the Notice.

If resolution 11 is passed, the Issue will be excluded in calculating Vonex's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Issue Date.

If resolution 11 is not passed, the Issue will be included in calculating Vonex's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can

issue without shareholder approval over the 12 month period following the Issue Date.

8.4 Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 11 as this will preserve the Company's 15% annual limit permitted by ASX Listing Rule 7.1.

9. ENQUIRIES

Shareholders are required to contact the Company Secretary, Mr Dan Smith, on (+61 8) 9486 4036 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ending 30 June 2020.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Award means a right to acquire Shares under the Incentive Plan, and includes an Option and a Performance Right.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the Chair of the Meeting.

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

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) 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 dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

Company means Vonex Ltd (ACN 063 074 635).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Director Option means an option to acquire a Share on the terms and conditions set out in Annexure B.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

Incentive Plan means the Vonex Limited Incentive Plan, a summary of which is set out in Annexure A.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the Remuneration Report set out in the Directors' Report section of the Company's annual financial report for the year ended 30 June 2020.

Resolutions means the resolutions set out in this Notice, or any one of them, as the context requires.

Section means a section contained in this Explanatory Statement.

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

Shareholder means a holder of a Share in the Company.

Valuation Date means 9 October 2020.

WST means Australia Western Standard Time as observed in Perth, Western Australia

VWAP means the volume weighted average price of trades in the Company's Shares on ASX.

Annexure A: Summary of terms of the Incentive Plan

The terms and conditions of the Incentive Plan are summarised below:

1. Board

The Board, or a duly appointed committee of the Board, is responsible for the operation of the Incentive Plan.

2. Participants

Directors, full-time, part-time and casual employees, and contractors of the Group are all eligible to participate in the Incentive Plan.

3. Eligibility

The Board has an absolute discretion to determine the eligibility of participants. Some of the factors the Board will have regard to in determining eligibility include:

- (a) the seniority of the participant and the position that the participant occupies within the Group;
- (b) the length of service of the participant with the Group;
- (c) the record of employment of the participant with the Group;
- (d) the potential contribution of the participant to the growth and profitability of the Group;
- (e) the extent (if any) of the existing participation of the participant in the Incentive Plan; and
- (f) any other matters the Board considers relevant.

4. Invitations and Awards

The Board may, in its absolute discretion, invite eligible participants to participate in the Incentive Plan. An invitation may be made on such terms and conditions as the Board decides from time to time, including as to the terms of the Award offered and whether the Award comprises Performance Rights and/or Options.

5. Number of Performance Rights and/or Options

- (a) The Board has a discretion to determine the number of Performance Rights and/or Options granted to participants under an Award, however in accordance with applicable law, the Board will ensure that the number of Performance Rights and/or Options offered to eligible participants over a three-year period does not exceed 5% of the Company's issued capital.
- (b) Further, in determining the number of Performance Rights and/or Options to be granted to participants, the Board will have regard to:
 - (i) current market practice; and
 - (ii) the overall cost to the Company of grants under the Incentive Plan.

6. No payment on grant or vesting

Unless the Board determines otherwise, no payment is required for the grant, on the vesting, or the issue, transfer or allocation of Shares following vesting of a Performance Right or Option.

7. Vesting conditions

Vesting of an Award may be conditional on the participant satisfying the pre-determined vesting conditions determined by the Board within the vesting period. The vesting period applicable to the Performance Rights or Options is the period determined by the Board.

8. Vesting of Award

The Award will only vest if the participant meets any specified vesting conditions within the vesting period. If the terms of grant require the Award to be exercised, the participant must exercise the Award in order for vesting to occur. Any Award which has not vested within the vesting period will lapse.

9. Entitlements under Awards

Prior to vesting and exercise (if required) of an Award, and the issue of Shares to the participant in accordance with the rules of the Incentive Plan, a participant is not entitled to exercise any votes in respect of the Shares to which the Award relates, nor is the holder entitled to participate in any dividend or any new issue of securities by the Company in respect of that Award.

10. Issue, transfer or allocation of Shares on vesting of Award

The Shares to be provided on vesting and exercise (if required) of the Award may be issued by the Company or acquired on market by the Company (or any trustee of the Incentive Plan) and transferred or allocated to the holder of the Performance Right. Any Shares issued under the Incentive Plan will rank equally with those traded on the ASX at the time of issue. The Board may impose restrictions on the transferability of a Share issued, transferred or allocated to a participant following vesting of a Performance Right, which shall be set out in the terms of invitation.

11. Cessation of eligibility

- (a) Where a participant ceases to be eligible to participate in the Incentive Plan, the Board may determine that some or all of the participant's Award lapses, vests, is exercisable for a prescribed period (if applicable), or is no longer subject to some or all applicable restrictions.
- (b) The Board may specify in an invitation how a participant's Award will be treated in the event that the participant ceases to be eligible to participate in the Incentive Plan which may vary depending upon the circumstances in which the participant ceases to be eligible.

12. Change of control

- (a) On a change of control event (which includes a takeover, merger or any person acquiring a relevant interest in more than 50% of the issued share capital in the Company and other similar events) the Board may, in its discretion, determine the manner in which any or all of a participant's Awards may be dealt with including in a manner that allows the participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
- (b) The Board may specify in an invitation how a participant's Award will be treated on a change of control event which may vary depending upon the circumstances of the change of control event.

13. Capital reorganisation

In the event of any capital reorganisation prior to vesting and exercise (if required) of an Award, the Award may be adjusted having regard to the ASX Listing Rules.

14. Clawback provision

The Board may determine that any unvested Award and vested but unexercised Award (if exercise is required) will lapse if, in the Board's opinion, among other things:

- (a) the participant has acted fraudulently or dishonestly, engaged in gross misconduct, breached his or her duties or obligations (including where the participant's Award vests as a result of such conduct and the Board forms the opinion that the Award would not have otherwise vested); or
- (b) there is a material misstatement or omission in the financial statements of a Group company.

Annexure B: Summary of terms of the Director Options

The terms and conditions of the Directors Options are as follows:

1. Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

2. Exercise Price

Subject to paragraph 9, the amount payable upon exercise of each Option will be equal to that price which is a 45% premium to the five-day weighted average price at which the Company's Shares have traded immediately prior to the date of grant, rounded to the nearest one-tenth of a cent (**Exercise Price**).

3. Expiry Date

Each Option will expire at 5:00 pm (WST) on that date which is three (3) years after the date that they are issued (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

4. Exercise Period

The Directors Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

5. Notice of Exercise

The Directors Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

6. Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

7. Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (a) issue the number of Shares required under these terms and conditions in respect of the number of Directors Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Directors Options.

If a notice delivered under paragraph 7(b) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

8. Shares issued on exercise

Shares issued on exercise of the Directors Options rank equally with the then issued shares of the Company.

9. Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

10. Participation in new issues

There are no participation rights or entitlements inherent in the Directors Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Directors Options without exercising the Directors Options.

11. Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

12. Transferability

The Directors Options are transferable with written notice by the Optionholder to the Company, subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

13. Cashless Exercise

In lieu of paying the aggregate Exercise Price under paragraph (2), an Optionholder may elect to receive, without payment of cash or other consideration, upon surrender of the applicable portion of exercisable Directors Options to the Company, a number of Shares determined in accordance with the following formula (a **Cashless Exercise**):

$$A = [B \times (C - D)] / C$$

where:

A = the number of Shares (rounded down to the nearest whole number) to be issued to the Optionholder pursuant to this paragraph (m);

B = the number of Shares otherwise issuable upon the exercise of the Option or portion of the Directors Options being exercised;

C = the Market Value of one Share determined as of the date of delivery to the Company Secretary of the Notice of Exercise; and

D = the Exercise Price.

For the purposes of this paragraph (13), **Market Value** means, at any given date, the volume weighted average price per Share traded on the ASX over the five (5) trading days immediately preceding that given date.

14. Quotation

The Company does not intend to apply for the quotation of the Directors Options on ASX.

Annexure C – Valuation of Directors Options

The Directors Options to be issued to the Related Parties pursuant to Resolutions 5 to 9, have been valued by internal management.

Using the Black & Scholes option model and based on the assumptions set out below, the Directors Options were ascribed the following value:

Assumptions:	
Valuation date	9 October 2020
Market price of Shares	15 cents
Exercise price (45% premium to 5-day VWAP)	21.75 cents
Expiry date (length of time from issue)	9 November 2023
Risk free interest rate	0.25%
Volatility (discount)	126%
Indicative value per Director Option	10.12 cents
Total Value of Directors Options	\$1,011,824.41
Matthey Fahey	\$303,547.32
Nicholas Ong	\$252,956.10
David Vilensky	\$151,773.66
Winnie Lai Hadad	\$151,773.66
Jason Gomersall	\$151,773.66

Note:

The valuation noted above is not necessarily the market price of the Directors Options and is not automatically the market price for taxation purposes.



always on

Vonex Limited
ABN 39 063 074 635

VN8

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

Need assistance?



Phone:

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



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00 AM (AWST)** on **Wednesday, 25 November 2020**.

Proxy Form

How to Vote on Items of Business

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

APPOINTMENT OF PROXY

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

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

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

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

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

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

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

PARTICIPATING IN THE MEETING

Corporate Representative

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

Lodge your Proxy Form:

XX

Online:

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

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

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

By Mail:

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

By Fax:

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



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

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

☐

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



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Vonex Limited hereby appoint

☐

the Chairman
of the Meeting

OR

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Vonex Limited to be held at Level 8, 99 St Georges Terrace, Perth WA 6000 on Friday, 27 November 2020 at 10:00 AM (AWST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 1 and 4 to 9 (except where I/we have indicated a different voting intention in step 2) even though Items 1 and 4 to 9 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 1 and 4 to 9 by marking the appropriate box in step 2.

Step 2 Item of Business

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

		For	Against	Abstain			For	Against	Abstain
1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11	Ratification of Shares issued to Mrs Sumaiya Fathima Shaik	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Director – Ms Winnie Lai Hadad	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
3	Re-election of Director – Mr Jason Gomersall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
4	Approval of Vonex Limited Securities Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
5	Issue of Director Options to Mr Matthew Fahey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
6	Issue of Director Options to Mr Nicholas Ong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
7	Issue of Director Options to Mr David Vilensky	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
8	Issue of Director Options to Ms Winnie Lai Hadad	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
9	Issue of Director Options to Mr Jason Gomersall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
10	Ratification of Shares issued to S3 Corporation Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

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

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

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

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

VN 8

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Computershare

