

#### **ASX: KTG**

28 October 2020

Dear Shareholder

# Letter to Shareholders – Notice of Annual General Meeting and Proxy Form

Notice is hereby given that an Annual General Meeting (**Meeting**) of Shareholders of K-TIG Limited (ACN 071 397 487) (**Company**) will be held at 10.00am (WST) on Friday, 27 November 2020 at Ground Floor, 16 Ord Street, West Perth, WA 6005.

In accordance with subsection 5(1)(f) of the Corporations (Coronavirus Economic Response) Determination (No.1) 2020, the Company will not be dispatching physical copies of the Notice of Meeting (**Notice**). Instead, a copy of the Notice is available at <a href="https://www.k-tig.com/announcements-and-price">https://www.k-tig.com/announcements-and-price</a>. Alternatively, a complete copy of the important meeting documents has been posted to the Company's ASX market announcements page.

If you have elected to receive notices by email, a copy of the proxy form will be emailed to you. If you have not elected to receive notices by email, a copy of your proxy form will be posted to you, together with this Letter.

The Board has made the decision that it will hold a physical Meeting with the appropriate social gathering and physical distancing measures in place to comply with the Federal Government's and State Government's current restrictions on physical gatherings. Shareholders who are unable to attend the Meeting will be able to participate by

- (a) voting prior to the Meeting by lodging your proxy instructions by no later than 48 hours prior to the Meeting (by 10.00am (WST) on 25 November 2020) by lodging a proxy form by:
  - **online at**: https://investor.automic.com.au/#/loginsah; or
  - post to: Automic GPO Box 5193 Sydney NSW 2001; or
  - in person to: Automic, Level 5, 126 Phillip Street, Sydney NSW 2000;
  - **by facsimile to**: +61 2 8583 3040; or
  - by email to: <u>meetings@automicgroup.com.au</u>.

Your proxy voting instruction must be received not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting;

K-TIG Limited (ACN 158 307 549) = ASX:KTG = 16 Ord Street, West Perth = +618 9482 0500 = www.k-tig.com





- (b) lodging questions in advance of the Meeting by emailing the questions to the Company Secretary at dho@ventnorcapital.com, by no later than Wednesday, 25 November 2020; and/or
- (c) attending the Meeting remotely. Details as follows.

# How Shareholders can Participate via Remote Attendance Electronically

1. A live audio webcast and electronic voting via <a href="https://www.advancedshare.com.au/vm">https://www.advancedshare.com.au/vm</a> will be offered to allow Shareholders to listen to the Meeting and vote online. Please refer to the SRN/HIN on your proxy form and the Meeting ID as follows, to login to the website.

Meeting ID: KTG0001

2. Shareholders are strongly urged to appoint the Chair of the Meeting as their proxy. Shareholders can complete the proxy form to provide specific instructions on how a Shareholder's vote is to be exercised on each item of business, and the Chair of the Meeting must follow your instructions.

Circumstances relating to COVID-19 are changing rapidly. The Company will update shareholders if changing circumstances will impact planning or the arrangements for the Meeting by way of announcement on ASX and the details will also be made available on our website at <a href="https://www.k-tig.com/announcements-and-price">https://www.k-tig.com/announcements-and-price</a>.

The Notice is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser. If you have any difficulties obtaining a copy of the Notice, please contact the Company on +61 8 9480 0500.

This was authorised for release by the Chairman of K-TIG Limited.

Yours sincerely

Deborah Ho

**Company Secretary** 



# K-TIG LIMITED ACN 158 307 549

# NOTICE OF ANNUAL GENERAL MEETING

**TIME**: 10.00am (WST)

**DATE**: Friday, 27 November 2020

**PLACE**: Ground Floor, 16 Ord Street, West Perth, WA 6005

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.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meetings are those who are registered Shareholders at 4.00 pm (WST) on 25 November 2020.

Shareholders are urged to vote by lodging the proxy form attached to the Notice

#### NOTICE OF ANNUAL GENERAL MEETING

Notice is given that an Annual General Meeting of K-TIG Limited (ACN 158 307 549) (**Company**) will be held at 10.00am (WST) on Friday, 27 November 2020 at Ground Floor, 16 Ord Street, West Perth, WA 6005.

The Explanatory Statement provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form each form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company at 4.00pm (WST) on 25 November 2020.

Terms and abbreviations used in the Notice are defined in the Glossary.

#### 1. FINANCIAL STATEMENTS AND REPORTS

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2020, which includes the Financial Report, the Directors' Report and the Independent Auditor's Report.

The reports referred to above are included in the 2020 Annual Report sent to those Shareholders who elected to receive a hard copy. A copy of the report is also available on the Company's website at http://www.k-tig.com.

# 2. RESOLUTION 1 – 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 purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as set out in the Company's Annual Report for the financial year ended 30 June 2020, on the terms and conditions in the Explanatory Statement".

**Voting prohibition:** The Company will disregard any votes cast (in any capacity) in favour of the Resolution by or on behalf of a member of the Key Management Personnel whose remuneration is disclosed in the Remuneration Report or a Closely Related Party of those persons (which includes their spouse, child, dependent, other family members and any controlled company), unless the vote is cast as a proxy for a person who is entitled to vote on this Resolution in accordance with a direction on the Proxy Form or by the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution and 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.

# 3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR ADRIAN SMITH

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

"That, for the purposes of clause 7.6 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Adrian Smith, a Director who was appointed on 20 February 2020, retires and being eligible, be elected as a Director."

#### 4. RESOLUTION 3 – ELECTION OF DIRECTOR – MR MARK TWYCROSS

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

"That, for the purposes of clause 7.6 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Mark Twycross, a Director who was appointed on 20 February 2020, retires and being eligible, be elected as a Director."

#### 5. RESOLUTION 4 – ELECTION OF DIRECTOR – MR ANTHONY MCINTOSH

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

"That, for the purposes of clause 7.6 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Anthony McIntosh, a Director who was appointed on 23 June 2020, retires and being eligible, be elected as a Director."

# 6. RESOLUTIONS 5(A), (B) AND (C) – RATIFICATION OF PRIOR ISSUES OF OPTIONS

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of:

- (a) 180,000 Unlisted Options to Mr Mark Twycross;
- (b) 180,000 Unlisted Options to Mr Adrian Smith; and
- (c) 180,000 Unlisted Options to Mr Anthony McIntosh,

on the terms and conditions set out in the Explanatory Statement"

#### Voting exclusion statement:

The Company will disregard any votes cast in favour of these Resolutions by or on behalf of Messrs Mark Twycross, Adrian Smith and Anthony McIntosh or an of associate of those persons.

However, this does not apply to a vote cast in favour of a Resolution 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;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the 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:
  - 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 6 – APPROVAL OF 10% PLACEMENT CAPACITY

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 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."

# 8. RESOLUTIONS 7(A), (B) AND (C) - APPROVAL TO ISSUE SHARES TO DIRECTORS

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

'That, pursuant to and in accordance with Listing Rule 10.11 and section 195(4) of the Corporations Act and for all other purposes, Shareholders approve the issue of Shares to Directors (or their respective nominees) as follows:

- (a) up to 100,000 Shares to Mr Adrian Smith;
- (b) up to 40,000 Shares to Mr Mark Twycross; and
- (c) up to 600,000 Shares to Mr Anthony McIntosh,

on the terms and conditions in the Explanatory Statement.'

#### **Voting Exclusion**

The Company will disregard any votes cast in favour of these Resolutions by or on behalf of Messrs Adrian Smith, Mark Twycross and Anthony McIntosh (or their respective nominees), and any other person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder) or an associate of those persons. However, this does not apply to a vote cast in favour of a Resolution 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;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the 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**

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 these Resolutions if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such 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 the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

# 9. RESOLUTIONS 8(A) AND (B) - RATIFICATION OF PRIOR ISSUES OF PLACEMENT SHARES

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of:

(a) 21,151,474 Shares under Listing Rule 7.1; and

(b) 508,526 Shares under Listing Rule 7.1A,

on the terms and conditions set out in the Explanatory Statement"

# **Voting Exclusion**

The Company will disregard any votes cast in favour of these Resolutions by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved, or 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;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the 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.

#### 10. RESOLUTION 9 - APPROVAL TO ISSUE SHARES TO DIRECTOR - MR ADRIAN SMITH

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

'That, pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 4,500,000 Shares to Mr Adrian Smith (or his nominees) under the Plan on the terms and conditions in the Explanatory Statement.'

#### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan, or any of their respective associates.

However, this does not apply to a vote cast in favour of a Resolution 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;
- (e) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the direction given to the Chair to vote on the Resolution as the Chair decides; or
- (f) 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**

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 a member of the Key Management Personnel or a Closely Related Party of such 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 the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

# 11. RESOLUTIONS 10(A), (B), (C) AND (D) - APPROVAL TO ISSUE PERFORMANCE RIGHTS TO DIRECTORS

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

That, pursuant to and in accordance with Listing Rule 10.14, sections 208 and 195(4) of the Corporations Act and for all other purposes, Shareholders approve the issue of Performance Rights to Directors (or their respective nominees) under the Plan as follows:

- (a) up to 1,500,000 Performance Rights to Mr Mark Twycross;
- (b) up to 1,500,000 Performance Rights to Mr Syed Basar Shueb;
- (c) up to 1,500,000 Performance Rights to Mr Anthony McIntosh; and
- (d) up to 1,500,000 Performance Rights to Mr Stuart Carmichael,

on the terms and conditions in the Explanatory Statement.'

#### **Voting Exclusion**

The Company will disregard any votes cast in favour of these Resolutions by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan, or any of their respective associates.

However, this does not apply to a vote cast in favour of a Resolution 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;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the 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 Prohibitions**

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 these Resolutions if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such 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 these Resolutions are connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Further, in accordance with section 224 of the Corporations Act, a vote on these Resolutions must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

However, the above prohibition does not apply if:

- (c) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (d) it is not cast on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

Please note: If the Chair is a person referred to in the section 224 Corporations Act voting prohibition statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the relevant Resolution.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

**DATED: 23 OCTOBER 2020** 

BY ORDER OF THE BOARD

STUART CARMICHAEL CHAIRMAN

# **Proxy Appointment and Voting Instructions**

#### Voting by poll

All resolutions will be decided on a poll (rather than a show of hands). The poll will be conducted based on votes submitted by proxy and at the Meeting by Shareholders who have indicated that they intend to vote at the Meeting in accordance with the instructions below.

#### Voting by proxy

Shareholders are encouraged to complete a Proxy Form to appoint the Chair of the Meeting as their proxy and to provide specific instructions on how the Shareholder's vote is to be exercised on each item of business. The Chair must follow your instructions. If a person other than the Chair is appointed as proxy, the proxy will revert to the Chair in the absence of the appoint proxy holder's attendance at the Meeting.

Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form attached to the Notice.

#### Remote attendance electronically

The Meeting will be accessible to all Shareholders electronically, to allow Shareholders to listen to and observe the Meeting. Once details have been confirmed by the Company, all Shareholders will be informed via a Company announcement to be made at https://www2.asx.com.au/markets/trade-our-cash-market/announcements.

#### **Proxy Form**

To vote by proxy, please complete and sign the relevant 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, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder 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.

If you wish to appoint the Chair as your proxy, mark the appropriate box on the Proxy Form. If you appoint the Chair as your proxy, he or she can only cast your votes on Resolutions 1, 7(a)-(c), 9 and and 10(a)-(d) if you expressly authorise him or her to do so. If the person you wish to appoint as your proxy is someone other than the Chair, please write the full name of that person on the Proxy Form. If you leave this section blank, or your named proxy does not attend the Meeting, the Chair will be your proxy. A proxy need not be a Shareholder of the Company.

#### **Corporate Shareholders**

Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

- two directors of the company;
- a director and a company secretary of the company; or
- for a proprietary company that has a sole director who is also the sole company secretary, that director.

#### **Corporate Representatives**

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company and/or the Company's share registry before the Meeting or at the registration desk on the day of the Meeting.

#### **Votes on Resolutions**

You may direct your proxy how to vote by placing a mark in the 'FOR', 'AGAINST' or 'ABSTAIN' box opposite the Resolution. All your votes will be cast in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on the Resolutions by inserting the percentage or number of Shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the Resolutions, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

#### **Voting Restrictions That May Affect Your Proxy Appointment**

Due to the voting exclusions that may apply to certain items of business, the Key Management Personnel and their Closely Related Parties will not be able to vote your proxy on Resolutions 1, 7(a)-(c), 9 and and 10(a)-(d) unless you have directed them how to vote or, in the case of the Chair, if you expressly authorise him or her.

#### **Chair Voting Undirected Proxies**

If the Chair is your proxy, the Chair will cast your votes in accordance with your directions on the Proxy Form. If you do not mark any of the boxes on the Resolutions, then you expressly authorise the Chair to vote your undirected proxies at his/her discretion.

As at the date of this Notice, the Chair intends to vote undirected proxies FOR each of the Resolutions. In exceptional cases the Chair's intentions may subsequently change and in this event, the Company will make an announcement to the market.

#### Voting Eligibility – Snapshot Date

The Company may specify a time, not more than 48 hours before the Meeting, at which a "snapshot" of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting.

The Directors have determined that all Shares of the Company that are quoted on ASX at 4.00pm WST on Wednesday, 25 November 2020 shall, for the purpose of determining voting entitlements at the Meeting, be taken to be held by the persons registered as holding the Shares at that time. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

#### **Defined terms**

Capitalised terms used in the Notice and the Explanatory Statement are defined in the Glossary.

#### **Questions from Shareholders**

At the Meeting, the Chair will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company.

The Chair will allow a reasonable opportunity for Shareholders to ask the Company's auditor questions about:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

To assist the Board and the Auditor in responding to any questions that you may have, please submit any questions to the Company by Wednesday, 25 November 2020 to the Company Secretary at Ground Floor, 16 Ord Street, West Perth, Western Australia, 6005.

As required under section 250PA of the Corporations Act, the Company will make available at the Meeting those questions directed to the Auditor received in writing at least 5 business days prior to the Meeting, being questions which the Auditor considers relevant to the content of the Auditor's report or the conduct of the audit of the annual financial report for the year ended 30 June 2019. The Chair will allow a reasonable opportunity for the Auditor to respond to the questions set out on this list.

Questions Regarding the Notice of Meeting
Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9482 0500.

#### **EXPLANATORY STATEMENT**

#### 1. INTRODUCTION

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.

The Explanatory Statement forms part of the Notice which should be read in its entirety. It contains the terms and conditions on which the Resolutions will be voted.

#### 2. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution and section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2020.

There is no requirement for Shareholders to approve the Annual Report. The reports referred to above are included in the Annual Report sent to those Shareholders who elected to receive a hard copy. A copy of the report is also available on the Company's website at http://www.k-tig.com

# 3. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

# 3.1 Adoption

In accordance with section 250R(2) of the Corporations Act, the Company must put a resolution that the Remuneration Report as set out in the Directors' Report of the annual financial report of the Company for the financial year ending 30 June 2020 be adopted to vote at the Annual General Meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

The chair of the meeting must allow a reasonable opportunity for discussion of the Remuneration Report at the Annual General Meeting.

# 3.2 Spill resolution

In accordance with the Corporations Act, if at least 25% of the votes cast on the Resolution are voted **against** adoption of the Remuneration Report in two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**) at the second annual general meeting, if at the first of those annual general meetings a Spill Resolution was not put to a vote.

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the Directors who were in office when the Directors' report (as included in the Company's annual financial report for the financial year ended immediately before the second annual general meeting) 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 is approved will be the Directors of the Company.

At the Company's previous annual general meeting in 2019 the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, a Spill Resolution will not be required at the Meeting in any event.

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 ending 2020.

# 3.3 Proxy restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directions given	No directions given
Key Management Personnel <sup>1</sup>	Vote as directed	Unable to vote <sup>3</sup>
Chair <sup>2</sup>	Vote as directed	Able to vote at discretion of Proxy <sup>4</sup>
Other	Vote as directed	Able to vote at discretion of Proxy

#### Notes:

- <sup>1</sup> Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.
- <sup>2</sup> Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).
- <sup>3</sup> Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.
- <sup>4</sup> The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

#### 3.4 Directors' recommendations

The Board declines to make a recommendation on Resolution 1 as each Director has a material personal interest in the outcome of the Resolution.

# 4. RESOLUTION 2 – ELECTION OF DIRECTOR – MR ADRIAN SMITH

### 4.1 General

Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is the longer.

Clause 7.6(c) of the Constitution provides that the person appointed to fill a casual vacancy or as an addition to the existing number of Directors, holds office until

the next annual general meeting after the appointment and is then eligible for election.

#### 4.2 Background on Mr Smith

Mr Smith resigns as a Director at the Meeting and, being eligible, seeks approval to be elected as a Director.

As at the date of the Notice and if elected, the Board considers Mr Smith not to be an independent Director.

Mr Smith has both large public company and private SME board experience who has demonstrated history of growing innovative, business to business companies in both Managing Director and Chief Executive Officer roles.

Skilled at working with technology and business entrepreneurs to transition companies from small start-ups into sustainable enterprises, Mr Smith brings a strong focus on managing people and relationships to deliver exceptional performance.

Mr Smith is currently Non-executive Director of Universal Motion Simulation, UniSA Ventures, and an Advisory Board Member of Axiom Precision Manufacturing and elmTEK. Mr Smith has previously had the role of Managing Director of Rheinmetall Defence Australia Pty Ltd. Previously, Mr Smith was the founder and Chief Executive Officer of Sydac, a simulation and training business. Sydac was founded in 1988 and culminated in becoming the world's #2 supplier of railway training systems with a staff of 135 and offices in Australia, Europe and India before negotiating an exit with German multi-national Knorr-Bremse GmbH.Directors' recommendations

#### 4.3 Directors' recommendations

The Board considers that Mr Smith has the necessary industry skills, project knowledge and management experience to enhance the Board's ability to performs its role. The Board (excluding Mr Smith) recommends that Shareholders vote in favour of Resolution 2.

The Chair intends to exercise all available proxies in favour of Resolution 2.

#### 5. RESOLUTION 3 – ELECTION OF DIRECTOR – MR MARK TWYCROSS

# 5.1 Constitutional requirements

Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is the longer.

Clause 7.6c) of the Constitution provides that the person appointed to fill a casual vacancy or as an addition to the existing number of Directors, holds office until

the next annual general meeting after the appointment and is then eligible for election.

#### 5.2 Background on Mr Twycross

Mr Twycross resigns as a Director at the Meeting and, being eligible, seeks approval to be elected as a Director.

As at the date of the Notice and if elected,, the Board considers Mr Twycross to be an independent Director.

Mr Twycross has over 40 years in the energy, oil and gas, water and infrastructure industries in Australasia (Australia, New Zealand and Papua New Guinea) South East Asia, Middle East, Africa, Caspian and United Kingdom. Mr Twycross brings a track record of securing major contracts and contract execution to clients in the oil and gas, and water infrastructure sectors.

Mr Twycross has previously held senior executive leadership positions with Quanta Services and McConnell Dowell.

#### 5.3 Directors' recommendations

The Board considers that Mr Twycross has the necessary industry skills, project knowledge and management experience to enhance the Board's ability to performs its role. The Board (excluding Mr Twycross) recommends that Shareholders vote in favour of Resolution 3.

The Chair intends to exercise all available proxies in favour of Resolution 3.

#### 6. RESOLUTION 4 – ELECTION OF DIRECTOR – MR ANTHONY MCINTOSH

# 6.1 General

Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is the longer.

Clause 7.6(c) of the Constitution provides that the person appointed to fill a casual vacancy or as an addition to the existing number of Directors, holds office until the next annual general meeting after the appointment and is then eligible for election.

#### 6.2 Background on Mr McIntosh

Mr McIntosh resigns as a Director at the Meeting and, being eligible, seeks approval to be elected as a Director.

As at the date of the Notice and if elected, the Board considers Mr McIntosh to be an independent Director.

Mr McIntosh has extensive experience in investment marketing, investor relations and strategic planning, with a focus on small caps, as well as a strong and well-established network of stockbroking and investment fund manager.

Mr Mcintosh currently holds board positions with Alice Queen Limited, Symbol Mining Limited, and until recently with Echo Resources Limited.

Mr McIntosh is a graduate of the Australian Institute Company Director course and Bond University with a Bachelor of Commerce degree majoring in marketing.

#### 6.3 Directors' recommendations

The Board considers that Mr McIntosh has the necessary skills and experience in corporate, public companies and capital raisings to enhance the Board's ability to performs its role. The Board (excluding Mr McIntosh) recommends that Shareholders vote in favour of Resolution 4.

The Chair intends to exercise all available proxies in favour of Resolution 4.

# 7. RESOLUTIONS 5(A), (B) AND (C) – RATIFICATION OF PRIOR ISSUES OF OPTIONS

#### 7.1 General

The Company has previously issued unlisted Options to Directors as follows:

- (a) on 5 March 2020, the Company issued 180,000 unlisted Options (exercisable at \$0.30 each, expiring on 30 September 2023) to Mr Mark Twycross in connection with his appointment as a Director;
- (b) on 5 March 2020, the Company issued 180,000 unlisted Options (exercisable at \$0.30 each, expiring on 30 September 2023) to Mr Adrian Smith in connection with his appointment as a Director; and
- (c) on 26 June 2020, the Company issued 180,000 unlisted Options (exercisable at \$0.30 each, expiring on 30 September 2023) to Mr Anthony McIntosh in connection with his appointment as a Director,

(together, the **Unlisted Options**).

The Unlisted Options were issued using the Company's existing 15% placement capacity under Listing Rule 7.1, and in reliance on Listing Rule 10.12 Exception 12 without the need for prior Shareholder approval.

The Unlisted Options were issued in reliance on Listing Rule 10.12 Exception 12 on the basis that each issue was under a transaction between the Company and Messrs Twycross, Smith and McIntosh who would not otherwise be a related party but for the fact that they believe, or have reasonable grounds to believe, that they are likely to become a related party in the future because of the transaction. Accordingly, prior Shareholder approval was not obtained in respect of the Unlisted Options under Listing Rule 10.11.

Resolutions 5(a), (b) and (c) seek Shareholder approval to ratify the issues of the Unlisted Options pursuant to Listing Rule 7.4.

Resolutions 5(a), (b) and (c) are each ordinary resolutions. The Chair intends to exercise all available proxies in favour of Resolutions 5(a), (b) and (c).

The Board recommends that Shareholders vote in favour of Resolutions 5(a), (b) and (c).

# 7.2 Listing Rules 7.1 and 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the Unlisted Options does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1, and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolutions 5(a), (b) and (c) seek Shareholder approval to the issue of the Unlisted Options under and for the purposes of Listing Rule 7.4.

If Resolutions 5(a), (b) and (c) are passed, the issue of the Unlisted Options will be excluded in calculating the Company'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 Resolutions 5(a), (b) and (c) are not passed, the issue of the Unlisted Options will be included in calculating the Company'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.

# 7.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 5(a), (b) and (c):

- (a) a total of 540,000 Unlisted Options were issued as follows:
  - (i) on 5 March 2020, the Company issued 180,000 unlisted Options (exercisable at \$0.30 each, expiring on 30 September 2023) to Mr Mark Twycross;
  - (ii) on 5 March 2020, the Company issued 180,000 unlisted Options (exercisable at \$0.30 each, expiring on 30 September 2023) to Mr Adrian Smith; and
  - (iii) on 26 June 2020, the Company issued 180,000 unlisted Options (exercisable at \$0.30 each, expiring on 30 September 2023) to Mr Anthony McIntosh;
- (b) the full terms and conditions of the Unlisted Options are set out in Schedule 1;

- (c) upon exercise, the Unlisted Options will convert into fully paid ordinary shares in the capital of the Company which are on the same terms and conditions as the Company's existing Shares;
- (d) no funds were raised as the Unlisted Options were issued for nil consideration as an incentive;
- (e) the Unlisted Options were issued under services agreements entered into with each of the recipients on standard commercial terms; and
- (f) a voting exclusion is included in this Notice.

#### 8. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT CAPACITY

### 8.1 Background

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. As at the date of this Notice, the Company is an eligible entity.

Resolution 6 seeks Shareholder approval by way of a special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval (Additional Placement Facility).

If Resolution 6 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 6 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

Resolution 6 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 6 for it to be passed.

## 8.2 Information on Additional Placement Facility

As at the date of this Notice, the Company currently has on issue 166,289,833 Shares and the last recorded closing price of the Shares on 9 October 2020 was 34 cents. The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$40,736,109.

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has two class of quoted Equity Securities on issue, being Shares (ASX Code: KTG). and one classes of options over shares (ASX Codes: "KTGOB").

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

#### Additional Placement Capacity $=(A \times D) - E$

#### where:

- A = the number of fully paid ordinary securities on issue 12 months before the issue date or date of agreement to issue:
  - plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
  - plus the number of partly paid ordinary securities that became fully paid in the 12 months;
  - plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rule 7.1 or Listing Rule 7.4:
  - less the number of fully paid ordinary securities cancelled in the 12 months.

D = 10%

E = the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

#### 8.3 Listing Rule requirements

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the proposed approval of the Additional Placement Facility:

(a) Minimum price at which Equity Securities may be issued

The issue price of any Equity Security under the Additional Placement Facility will not be less than 75% of the VWAP for securities in the same class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

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

#### (b) Risk of economic and voting dilution

If Resolution 6 is passed and the Company issues securities under the Additional Placement Facility, then there is a risk to existing Shareholders of economic and voting dilution, including the risk that:

- (i) the market price for Equity Securities in the same class may be significantly lower on the issue date than on the date of the approval under Listing Rule 7.1A; and
- (ii) the new Equity Securities may be issued at a price that is at a discount to the market price for Equity Securities in the same class on the issue date.

The table below identifies the potential dilution to existing Shareholders following the issue of Equity Securities under the Additional Placement Facility (based on the formula set out above) using different variables for the number of issued Shares and the market price of Shares.

The numbers are calculated on the basis of the latest available market price of Shares before the date of this Notice and the current number of Shares on issue.

Variable A in		Nominal issue price		
Listing Rule 7.1A		\$0.123 (50% decrease in market price)	\$0.245 (market price)	\$0.490 (100% increase in market price)
Current issued capital	Shares issued under LR 7.1A	16,626,983	16,626,983	16,626,983
A = 166,269,833 Shares	Voting dilution	10%	10%	10%
Sildles	Funds raised	\$2,036,805	\$4,073,611	\$8,147,222
50% increase in issued capital	Shares issued under LR 7.1A	24,940,475	24,940,475	24,940,475
A = 249,404,750 Shares	Voting dilution	10%	10%	10%
Sildles	Funds raised	\$3,055,208	\$6,110,416	\$12,220,833
100% increase in issued capital	Shares issued under LR 7.1A	33,253,967	33,253,967	33,253,967
A = 332,539,666 Shares	Voting dilution	10%	10%	10%
Sildies	Funds raised	\$4,073,611	\$8,147,222	\$16,294,444

This table has been prepared on the following assumptions:

- 1. the latest available market price of Shares, being the closing price as at 9 October 2020, was \$0.245;
- 2. the Company issues the maximum number of equity securities available under the Additional Placement Facility;

- 3. existing Shareholders' holdings do not change from the date of this Meeting to the date of the issue under the Additional Placement Facility;
- 4. the Company issues Shares only and does not issue other types of equity securities (such as Options) under the Additional Placement Facility; and
- 5. the impact of placements under Listing Rule 7.1 or following the exercise of options is not included in the calculations.

# (c) Date by which Equity Securities may be issued

An approval under Listing Rule 7.1A commences on the date of the meeting at which the approval is obtained and expires on the first to occur of the following:

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

# (d) Purpose for which Equity Securities may be issued

The Company may seek to issue Equity Securities under the Additional Placement Facility for cash consideration to fund business growth, to acquire new assets or make investments, to develop the Company's existing assets and operations and for general working capital.

#### (e) Allocation policy

The Company's allocation policy for the issue of Equity Securities under the Additional Placement Facility will depend on the prevailing market conditions at the time of the proposed issue. The allottees will be determined on a case-by-case basis having regard to the factors such as:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the new securities on the control of the Company;
- (iii) the financial situation and solvency of the Company;
- (iv) prevailing market conditions; and
- (v) advice from corporate and other advisors.

As at the date of this Notice, the Company has not identified any proposed allottees of Equity Securities using the Additional Placement Facility. However, the eventual allottees may include existing substantial Shareholders, other Shareholders and/or new investors.

None of the allottees will be a related party or an associate of a related party of the Company. Existing Shareholders may or may not be entitled to subscribe for Equity Securities under the Additional Placement Facility and it is possible that their shareholding will be diluted.

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

(f) Equity securities issued under previous placement facility approval

The Company previously obtained Shareholder approval under Listing Rule 7.1A at its 2019 annual general meeting held on 26 November 2019. In the 12 months preceding the date of the 2020 Annual General Meeting and as at the date of this Notice, the Company has issued a total of 508,526 Shares under Listing Rule 7.1A.2, which represents approximately 0.51% of the total number of Equity Securities on issue at the commencement of that 12 month period. Further details in respect of these Equity Securities are set out below:

- (i) the Shares were issued on 16 September 2020 pursuant to a placement announced by the Company on 4 September 2020;
- (ii) the Shares were issued to existing and new sophisticated and professional investors;
- (iii) the Shares were issued at an issue price of \$0.25 each which represents a discount of 3.8% to the closing price of \$0.26 on the date of the agreement to issue the Shares; and
- (iv) \$127,132 was raised from the issue of which has been expended on accelerating the Company's growth strategy, new strategic partner alliances, research and development and for ongoing working capital.
- (g) Voting exclusion statement

A voting exclusion statement is not included in the Notice.

At the date of the Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2 and therefore no persons will be excluded from voting on Resolution 6.

# 8.4 Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 6 as it will provide the Company with the flexibility to raise additional capital.

# 9. RESOLUTION 7(A), (B) AND (C) – APPROVAL TO ISSUE SHARES TO DIRECTORS

#### 9.1 General

On 4 September 2020, the Company announced it had raised \$5.6 million (before costs) via the issue of Shares at \$0.25 per Share (**Placement**). As part of the Placement, Messrs Adrian Smith, Mark Twycross and Anthony McIntosh (the **Related Parties**), advised they wished to subscribe for Shares pursuant to the

Placement (**Participation Shares**) subject to Shareholder approval. The price of the Participationn Shares is \$0.25 per Share being the same price as other unrelated participants in the Placement.

Shareholder approval is therefore now being sought for the issue of the following Participation Shares to the Related Parties for the purposes of Listing Rule 10.11.

Resolution	Name of Related Party	Subscription Amount (\$)	Participation Shares
7(a)	Adrian Smith	\$25,000	100,000
7(b)	Mark Twycross	\$10,000	40,000
7(c)	Anthony McIntosh	\$150,000	600,000

# 9.2 **Listing Rule 10.11**

Listing Rule 10.11 provides that, unless one of the exceptions in Listing Rule 10.12 applies, an entity must not issue or agree to issue Equity Securities to any of the following persons without the approval of the holders of its ordinary securities:

- (a) a related party;
- (b) a person who is or was at any time in the 6 months before the issue or agreement to issue, a substantial (30%+) holder in the entity;
- (c) a person who is or was at any time in the 6 months before the issue or agreement to issue, a substantial (10%+) holder in the entity and who has nominated a director to the board of the entity pursuant to a relevant agreement which gives them a right or expectation to do so;
  - (i) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.13; or
  - (ii) a person whose relationship with the Company or a person referred to in Listing Rules 10.11.1 to 10.11.4, is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders.

Resolutions 7(a), (b) and (c) seek Shareholder approval for the issue of the Participation Shares to the Related Parties (or their respective nominees) under and for the purposes of Listing Rule 10.11.

As Shareholder approval is being sought under Listing Rule 10.11, Shareholder approval is not also required under Listing Rule 7.1. Accordingly, the issue of Participation Shares to the Related Parties (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

If Resolutions 7(a), (b) and (c) are passed, the Company will be able to proceed with the issue of the Participation Shares to the Related Parties and will issue the Participation Shares to the Related Parties (or their respective nominees) no later than one month after the date of the Meeting.

If Resolutions 7(a), (b) and (c) are not passed, the Related Parties will not be able to acquire the Participation Shares and the Company will not receive the funds from the issue of the Participation Shares to the Related Parties.

# 9.3 Information required by Listing Rule 10.13

The following information is required by Listing Rule 10.13 for approval under Listing Rule 10.11 for the issue of the Participation Shares to the Related Parties the subjects of Resolutions 7(a), (b) and (c):

- (a) the Participation Shares are to be issued to Messrs Adrian Smith, Mark Twycross and Anthony McIntosh, who are directors of the Company and fall under the category stipulated under Listing Rule 10.11.1;
- (b) the maximum number of securities the Company will issue under each of Resolutions 7(a), (b) and (c) is shown in the table in section 9.1, comprising a total of 740,000 Participation Shares;
- (c) the Company will issue the Participation Shares on one date no later than 1 month after the date of the Meeting (or such longer period of time as ASX in its discretion allows);
- (d) the Shares will be issued at a price of \$0.25 each, being the same price as other unrelated participants in the Placement;
- (e) funds raised from the issue of the Participation Shares will be used to accelerate the growth strategy, new strategic partner alliances to increase market penetration, R&D and to increase resource capability in key growth markets and for ongoing working capital requirements;
- (f) Partiicipation Shares will be issued on the same terms as the existing fully paid ordinary Shares of the Company;
- (g) the Participation Shares are not intended to remunerate or incentivise Messrs Adrian Smith, Mark Twycross and Anthony McIntosh;
- (h) the Related Parties have provided firm commitments to subscribe for the Participation Shares and there are no other material terms of their commitment; and
- (i) a voting exclusion statement is included in the Notice.

# 9.4 Compliance with Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 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.

The issue of the Participation Shares will result in the issue of Shares which constitutes giving a financial benefit and the Related Parties are related parties of the Company by virtue of being Directors.

The Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation Shares because the Participation Shares will be issued to the Related Parties on the same terms as Shares issued to unrelated Placement participants and as such the giving of the financial benefit is on arm's length terms.

# 9.5 Section 195 of the Corporations Act

Section 195 of the Corporations Act provides that a director of a public company must not vote or be present during meetings of directors when matters in which that director holds a material personal interest are being considered.

Messrs Adrian Smith, Mark Twycross and Anthony McIntosh have a material personal interest in the outcome of each of their respective Resolutions under Resolutions 7(a), (b) and (c) and have exercised their right under section 195(4) of the Corporations Act to put the issue of the Participation Shares to Shareholders to resolve upon.

#### 9.6 Directors' recommendation

The Directors decline to make a recommendation to Shareholders in relation to Resolutions 7(a), (b) and (c) due to their material personal interests in the outcome of the Resolutions

The Chairman intends to vote all available proxies in favour of Resolutions 7(a), (b) and (c).

# 10. RESOLUTIONS 8(A) AND (B) - RATIFICATION OF PRIOR ISSUES OF PLACEMENT SHARES

#### 10.1 General

Refer to Section 9.1 for details of the Placement. Pursuant to the Placement, the Company issued on 16 September 2020:

- (a) 21,151,474 Shares within the 15% annual limit permitted under Listing Rule 7.1, without the need for prior Shareholder approval; and
- (b) 508,526 Shares within the 10% limit permitted under Listing Rule 7.1A, without the need for prior Shareholder approval,

to existing and new sophisticated and professional investors (together, the **Placement Shares**). The lead manager was SRG Partners.

Resolutions 8(a) and (b) seek the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Placement Shares.

Resolutions 8(a) and (b) are each an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolutions 8(a) and (b).

The Chair intends to exercise all available proxies in favour of Resolutions 8(a) and (b).

#### 10.2 Listing Rules 7.1, 7.1A and 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval

of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Listing Rule 7.1A provides that an eligible entity may seek shareholder approval at its annual general meeting to allow it to issue Equity Securities comprising up to 10% of its issued capital. The Company obtained this approval at its annual general meeting held on 26 November 2019.

The Placement does not fit within any of the exceptions to Listing Rules 7.1 and 7.1A and, as the issue of the Placement Shares has not yet been ratified by Shareholders, it effectively uses up the Company's placement capacity under each of Listing Rule 7.1 and 7.1A, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under either Listing Rule 7.1 or 7.1A for the 12 month period following the date of Placement.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 or 7.1A (as applicable), and so does not reduce the company's capacity to issue further Equity Securities without shareholder approval under that rule.

To this end, Resolutions 8(a) and (b) seek Shareholder approval to the issue of the Placement Shares under and for the purposes of Listing Rule 7.4.

The effect of Resolutions 8(a) and (b) will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 and the additional 10% annual placement capacity set out in Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

In the event that Resolution 8(a) is not passed, 21,151,474 Placement Shares will continue to be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval to the extent of 21,151,474 Equity Securities for the 12 month period following the issue of those Placement Shares.

In the event that Resolution 8(b) is not passed, 508,526 Placement Shares will continue to be included in the Company's 10% limit under Listing Rule 7.1A, effectively decreasing the number of Equity Securities the Company can issue or agreed to issue without obtaining prior Shareholder approval, to the extent of 508,526 Equity Securities for the 12 month period following the issue of those Placement Shares.

#### 10.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 8(a) and (b):

(a) the Placement Shares were issued to the Placement participants, being existing and new sophisticated and professional investors, none of whom is a related party of the Company and none of whom is considered to be

a 'material investor' for the purposes of section 7.4 of ASX Guidance Note 21:

- (b) a total of 21,660,000 Placement Shares were issued on 16 September 2020 as follows:
  - (i) 21,151,474 Placement Shares were issued within the 15% annual limit permitted under Listing Rule 7.1, without the need for prior Shareholder approval; and
  - (ii) 508,526 Placement Shares were issued within the 10% limit permitted under Listing Rule 7.1A, without the need for prior Shareholder approval;
- (c) the Placement Shares were issued at \$0.25 per Share;
- (d) the Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (e) the proceeds from the issue of the Placement Shares are intended to be used for accelerating the Company's growth strategy, new strategic partner alliances, research and development and for ongoing working capital;
- (f) the Placement Shares were issued to the Placement participants under a term sheet pursuant to which the Placement participants provided binding commitments to subscribe for the Placement Shares on the terms set out in this Notice and otherwise on terms considered standard for agreements of this nature; and
- (g) a voting exclusion statement is included in the Notice.

# 11. RESOLUTION 9 - APPROVAL TO ISSUE SHARES TO DIRECTOR - MR ADRIAN SMITH

#### 11.1 General

The Company proposes, subject to obtaining Shareholder approval, to issue up to 4,500,000 Shares under the Plan to Director Adrian Smith (or his nominees).

Pursuant to Mr Smith's employment agreement with the Company (Employment Agreement), Mr Smith is entitled to receive a remuneration package comprising \$350,000 (plus statutory superannuation) per annum in cash and (subject to Shareholder approval) Shares to be issued on the first, second, and third anniversaries of the date of the Employment Agreement (subject to Mr Smith's continued engagement as a Director by the relevant anniversary date) as follows:

Date of Issue	Shares
First anniversary	1,000,000
Second anniversary	1,500,000
Third anniversary	2,000,000
Total	4,500,000

50% of the Shares issued on each anniversary to Mr Smith will be subject to a voluntary escrow period of 12 months from the issue date.

The Company is in an important stage of development with significant opportunities in both the near and long-term, and the proposed issue seeks to align the efforts of Mr Adrian Smith in seeking to achieve growth of the Share price and in the creation of Shareholder value. In addition, the Board also believes that incentivising Mr Smith with Shares is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Shares to continue to attract and maintain highly experienced and qualified Executives in a competitive market.

Resolution 9 seeks Shareholder approval pursuant to Listing Rule 10.14 for the issue of up to a total of 4,500,000 Shares under the Plan to Mr Smith (or his nominees), being the total number of Shares to be issued pursuant to the Employment Agreement.

# 11.2 Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- (a) a director of the company (Listing Rule 10.14.1);
- (b) an associate of a director the company (Listing Rule 10.14.2); or
- (c) a person whose relation with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders (Listing Rule 10.14.3).

Mr Adrian Smith falls within the category stipulated under Listing Rule 10.14.1 and therefore the issue of Shares to Mr Smith under the Plan requires the approval of Shareholders under Listing Rule 10.14.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 or 10.11 is not required.

If Resolution 9 is passed, the Company will be able to proceed with the issue of the Shares to Mr Smith (or his nominee) and will issue the Shares in accordance with the dates set out above in Section 11.1.

If Resolution 9 is not passed, the Company will not be able to proceed with the issue of the Shares to Mr Smith, and the Company will proceed with other forms of remuneration, including by the payment of cash.

#### 11.3 Specific information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Shares:

- (a) the Shares will be issued under the Plan to Mr Adrian Smith (or his nominee);
- (b) Mr Smith is a Director and falls into the category stipulated by Listing Rule 10.14.1. In the event the Shares are issued to a nominee of Mr Smith, that person will fall into the category stipulated by Listing Rule 10.14.2;

- (c) the maximum number of Shares proposed to be issued to Mr Smith (or his nominee) under the Plan is 4,500,000;
- (d) the current total remuneration package of Mr Smith as at the date of this Notice is set out above in Section 11.1;
- (e) Mr Smith has not previously been issued Equity Securities under the Plan;
- (f) the Shares to be issued are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (g) the Shares will be issued in accordance with the dates set out in Section 11.1 and in any event, will be issued no later than three years after the date of the Meeting;
- (h) the Shares will have an issue price of nil as they will be issued as part of Mr Smith's remuneration package;
- (i) a summary of the material terms of the Plan is set out in Schedule 2;
- (i) no loan will be provided to Mr Smith in relation to the issue of the Shares;
- (k) details of any Securities issued under the Plan will be published in the annual report of the Company relating to a period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after Resolution 9 is approved and who were not named in the Notice will not participate until approval is obtained under that rule; and
- (I) a voting exclusion statement is included in the Notice.

### 11.4 Compliance with Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 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.

The issue of the Shares constitutes giving a financial benefit and Mr Smith is a related party of the Company by virtue of being a Director.

The Board (other than Mr Smith, who has a material personal interest in the outcome of the Resolution) considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Shares because the issue of the Shares is considered reasonable remuneration in the circumstances and was negotiated on arm's length terms.

#### 11.5 Directors' recommendation

Resolution 9 is an ordinary resolution.

The Board (other than Mr Smith) recommends that Shareholder vote in favour of Resolution 9.

The Chairman intends to vote all available proxies in favour of Resolution 9.

# 12. RESOLUTIONS 10(A), (B), (C) AND (D) - APPROVAL TO ISSUE PERFORMANCE RIGHTS TO DIRECTORS

#### 12.1 General

The Company proposes, subject to obtaining Shareholder approval, to issue a total of 6,000,000 Performance Rights under the Plan to the Directors (or their respective nominees) as follows:

Resolution	Director	Class A Performance Rights	Class B Performance Rights	Class C Performance Rights	Total
10(a)	Mark Twycross	500,000	500,000	500,000	1,500,000
10(b)	Syed Basar Shueb	500,000	500,000	500,000	1,500,000
10(c)	Anthony McIntosh	500,000	500,000	500,000	1,500,000
10(d)	Stuart Carmichael	500,000	500,000	500,000	1,500,000
Total					6,000,000

The Performance Rights are subject to certain performance milestones (**Milestones**) which must be satisfied by the relevant milestone dates (**Milestone Dates**) in order for the Performance Rights to vest as set out below:

Class	Performance Milestone	Milestone Date
A	The Company achieving a VWAP of at least \$0.35 over any twenty consecutive trading day period before the Milestone Date.	1 April 2021
В	The Company achieving a VWAP of at least \$0.50 over any twenty consecutive trading day period before the Milestone Date.	1 October 2021
С	The Company achieving a VWAP of at least \$0.75 over any twenty consecutive trading day period before the Milestone Date.	1 October 2022

The Company is in an important stage of development with significant opportunities in both the near and long-term, and the proposed issue seeks to align the efforts of the Directors in seeking to achieve growth of the Share price and in the creation of Shareholder value. In addition, the Board also believes that incentivising the Directors with Performance Rights is a prudent means of conserving the Company's available cash reserves. The Board believes it is

important to offer these Performance Rights to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

Resolutions 10(a)-(d) (inclusive) seek Shareholder approval pursuant to Listing Rule 10.14 for the issue of up to a total of 6,000,000 Performance Rights under the Plan to the Directors (or their respective nominees).

# 12.2 Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- (a) a director of the company (Listing Rule 10.14.1);
- (b) an associate of a director the company (Listing Rule 10.14.2); or
- (c) a person whose relation with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders (Listing Rule 10.14.3).

The Directors fall within the category stipulated under Listing Rule 10.14.1 and therefore the issue of Performance Rights to the Directors under the Plan requires the approval of Shareholders under Listing Rule 10.14.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 or 10.11 is not required.

If Resolutions 10(a)-(d) (inclusive) are passed, the Company will be able to proceed with the issue of the Performance Rights to the Directors and will issue the Performance Rights no later than 3 years after the date of the Meeting.

If Resolutions 10(a)-(d) (inclusive) are not passed, the Company will not be able to proceed with the issue of the Performance Rights to the Directors, and the Company will consider other forms of remuneration, including by the payment of cash.

#### 12.3 Specific information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Performance Rights:

- (a) the Performance Rights will be issued under the Plan to each of the Directors, Messrs Mark Twycross, Syed Basar Shueb, Anthony McIntosh and Stuart Carmichael (or their respective nominees), each of whom fall within the category stipulated by Listing Rule 10.14.1. In the event the Performance Rights are issued to a nominee of the Directors, that person will fall into the category stipulated by Listing Rule 10.14.2;
- (b) the maximum number of Performance Rights proposed to be issued is 6,000,000;
- (c) the current annual remuneration packages of each of the Directors as at the date of this Notice are set out below:

Remuneration (per annum)	Mark Twycross	Syed Basar Shueb	Anthony McIntosh	Stuart Carmichael
Salary and fees (\$)	35,000	35,000	35,000	60,000
Other fees (\$)	-	-	-	-
Superannuation (\$)	3,325	3,325	3,325	5,700
Equity-settled options (\$)	-	-	-	-
TOTAL	38,325	38,325	38,325	65,700

- (d) the Directors have not previously been issued Equity Securities under the Plan:
- (e) the terms and conditions of the Performance Rights are set out in Schedule 3. Shares issued on conversion of the Performance Rights will rank equally in all respects with the Company's existing Shares on issue;
- (f) the Performance Rights will be issued no later than three years after the date of the Meeting;
- (g) the Performance Rights will have an issue price of nil as they will be issued as an incentive:
- (h) a summary of the material terms of the Plan is set out in Schedule 2;
- (i) the Board considers that Performance Rights, rather than Shares, are an appropriate form of incentive on the basis that:
  - (i) the proposed issue of Performance Rights seeks to align the efforts of the Directors in seeking to achieve growth of the Share price and in the creation of Shareholder value;
  - (ii) incentivising the Directors with Performance Rights is a prudent means of conserving the Company's available cash reserves; and
  - (iii) the Board believes it is important to offer Performance Rights to continue to attract and maintain highly experienced and qualified Board members in a competitive market;
- (j) the Company has obtained a valuation for the Performance Rights from independent consultant, Grant Thornton Australia Limited. The total value attributed to the Performance Rights as set out in Section 12.5(c) is \$905,800;
- (k) no loan will be provided to the Directors in relation to the issue of the Performance Rights;
- (I) details of any Securities issued under the Plan will be published in the annual report of the Company relating to a period in which they were issued, along with a statement that approval for the issue was obtained

under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after Resolutions 10(a)-(d) (inclusive) are approved and who were not named in the Notice will not participate until approval is obtained under that rule; and

(m) a voting exclusion statement is included in the Notice.

#### 12.4 Compliance with Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 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.

The issue of the Performance Rights constitutes giving a financial benefit and the Directors are each a related party of the Company by virtue of being Directors.

It is the view of the Board that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, the Company is seeking approval for the purposes of Chapter 2E of the Corporations Act in respect of the proposed issued of the Performance Rights pursuant to Resolutions 10(a)-(d) (inclusive).

## 12.5 Information requirements for Chapter 2E of the Corporations Act

Pursuant to and in accordance with section 219 of the Corporations Act, the following information is provided in relation to the proposed issue of the Performance Rights:

# (a) Identity of the related parties to whom Resolutions 10(a)-(d) (inclusive) permit financial benefits to be given

The Performance Rights will be issued to Messrs Mark Twycross, Syed Basar Shueb, Anthony McIntosh and Stuart Carmichael (or their respective nominees).

# (b) Nature of the financial benefit

Resolutions 10(a)-(d) (inclusive) seek approval from Shareholders to allow the Company to issue the Performance Rights in the amounts specified in Section 12.1 above to the Directors or their nominees. The Performance Rights are to be issued in accordance with the Plan and otherwise on the terms and conditions in Schedule 3.

The Shares to be issued upon conversion of the Performance Rights will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

# (C) Valuation of financial benefit

Using a Monte Carlo model, the total valuation of the Performance Rights prepared by Grant Thornton Australia Limited is \$905,800, with a summary for each Related Party below:

Related Party	Value of Performance Rights			
	Class A	Class B	Class C	TOTAL
Mark Twycross	\$69,100	\$73,850	\$83,500	\$226,450
Syed Basar Shueb	\$69,100	\$73,850	\$83,500	\$226,450
Anthony McIntosh	\$69,100	\$73,850	\$83,500	\$226,450
Stuart Carmichael	\$69,100	\$73,850	\$83,500	\$226,450
	\$276,400	\$295,400	\$334,000	\$905,800

The fair values ascribed to the performance rights are indicative only and are based on the closing share price of K-Tig as at 16 October 2020. For the purposes of financial reporting under AASB 2 Share Based Payments, the fair value must be determined as at the Grant Date, which in this case is the date of shareholder approval. To the extent that the K-Tig share price changes between the 16 October 2020 and the Grant Date, the value of the performance may change, perhaps materially.

# (d) Remuneration of Directors

The total annual remuneration arrangements current for each of the Directors as at the date of this Notice are set out in Section 12.3(c).

# (e) Existing relevant interests

At the date of this Notice, the Directors hold the following relevant interests in Equity Securities of the Company:

Related Party	Shares	Unquoted Options <sup>1</sup>	Quoted Options <sup>2</sup>
Mark Twycross	-	180,000	-
Syed Basar Shueb	2,528,155	180,000	-
Anthony McIntosh	375,000	180,000	-
Stuart Carmichael	175,438	370,000	70,174

#### Notes:

- 1. Unquoted Options exercisable at \$0.30 expiring on 30 September 2023.
- 2. Quoted Options exercisable at \$0.23 expiring on 30 April 2021.

Assuming that all of the Performance Rights are issued, vested and exercised into Shares, and no other Equity Securities are issued or exercised from the date of the Notice, the respective interests of the Directors in the Company would be as follows:

- (i) Mr Twycross's interest would represent approximately 0.87% of the Company's expanded capital;
- (ii) Mr Shueb's interest would represent approximately 2.34% of the Company's expanded capital;
- (iii) Mr McIntosh's interest would represent approximately 1.09% of the Company's expanded capital; and
- (iv) Mr Carmichael's interest would represent approximately 0.97% of the Company's expanded capital.

# (f) Trading history

The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

Highest: \$0.33 per Share on 30 October 2019.

Lowest: \$0.048 per Share on 23 March 2020.

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.25 per Share on 23 October 2020.

# (g) Dilution

The issue of the Performance Rights will have a diluting effect on the percentage interest of existing Shareholders' holdings if the Performance Rights vest and are exercised. The potential dilution effect is summarised below:

Class	Performance Rights	Dilutionary effect
А	2,000,000	1.19%
В	2,000,000	1.17%
С	2,000,000	1.164%

The above table assumes the current Share capital structure as at the date of this Notice (being 166,269,833 Shares on October 2020) and that no Shares are issued other than the Shares issued on exercise of the Performance Rights from the date of the Notice. The above table also assumes that the Performance Rights of the class prior is exercised in full. The exercise of all of the Performance Rights will result in a total dilution of all other Shareholders' holdings of 8.13% on a fully diluted basis (assuming that all Options are exercised). The actual dilution will depend on the extent that additional Shares are issued by the Company.

## (h) Taxation consequences

There are no taxation consequences for the Company arising from the issue of the Performance Rights (including fringe benefits tax). Tax consequences may arise to the Company and the grantee should the Performance Rights vest in the future.

## 12.6 Section 195 of the Corporations Act

Section 195 of the Corporations Act provides that a director of a public company must not vote or be present during meetings of directors when matters in which that director holds a material personal interest are being considered.

The Directors have a material personal interest in the outcome of each of their respective Resolutions under Resolutions 10(a)-(d) (inclusive) and have exercised their right under section 195(4) of the Corporations Act to put the issue of the Performance Rights to Shareholders to resolve upon.

### 12.7 Directors' recommendation

Resolutions 10(a)-(d) (inclusive) are each an ordinary resolution.

The Directors decline to make a recommendation to Shareholders in relation to Resolutions 10(a)-(d) (inclusive) due to their material personal interests in the outcome of the Resolutions.

The Chairman intends to vote all available proxies in favour of Resolutions 10(a)-(e) (inclusive).

#### 12.8 Other information

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 10(a)-(d) (inclusive).

## **GLOSSARY**

\$ means Australian dollars.

**Additional Placement Capacity** has the meaning given to that term in Section 8.1 of this Explanatory Statement.

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

**Annual Report** means the annual report of the Company for the 2020 financial year, including the annual financial report, the Directors' report and the Auditor's report for the financial year ended 30 June 2020.

**ASIC** means the Australian Securities and Investments Commission.

Associate has the meaning given to that term in the Listing Rules.

**ASX** means ASX Limited.

**Board** means the current board of directors of the Company.

**Business Day** means a day that is not a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, or a day that is not an ASX trading day.

**Chair** means the chairperson 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) currently are none prescribed.

Company or K-Tig means K-TIG Limited (ACN 158 307 549).

**Company Secretary** means the Company's Company Secretary.

**Constitution** means the Company's Constitution.

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

**Director** means a director of the Company.

**Equity Securities** means 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.

**Key Management Personnel** 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).

**Listing Rules** means the Listing Rules of ASX.

**Notice of Annual General Meeting** or **Notice** means the Notice of Annual General Meeting to which this Explanatory Statement is attached.

**Officer** means a Director of the Company or such other person within the meaning of that term as defined by the Corporations Act.

**Option** means an option which entitles the holder to subscribe for one Share.

**Participation Shares** has the meaning given in Section 9.1.

**Placement** has the meaning given in Section 9.1.

**Placement Shares** has the meaning given in Section 10.1.

**Proxy Form** means the proxy form accompanying the Notice.

#### **Relevant Person** means:

- (a) in respect of an Eligible Participant, that person; and
- (b) in respect of a Nominee of an Eligible Participant, that Eligible Participant.

Remuneration Report means the remuneration report appearing in the Annual Report.

**Related Parties** has the meaning given in Section 9.1.

**Resolution** means a resolution set out in the Notice of Special Meeting or Notice of General Meeting, or all of them, as the context requires.

**Section** means a section of this Explanatory Statement.

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

**Shareholder** means a holder of a Share.

**VWAP** means volume weighted average price.

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

# Schedule 1 – Terms and Conditions of Unlisted Options

#### 1. Entitlement

The Options entitle the Option holder (**Optionholder**) to subscribe for one Share upon the exercise of each Option.

## 2. Quotation of Options

The Company will not apply for official quotation of the Options on ASX.

### 3. Issue Price

The Options will be issued for nil cash consideration per Option.

## 4. Exercise price and Expiry date

Each Option (unless otherwise specified) has an exercise price of \$0.30 (Exercise Price) and will expire at 5.00pm (AWST) on 30 September 2023 (Expiry Date). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

### 5. Notice of Exercise

The Optionholder may exercise their Options by lodging with the Company, on or prior to the Expiry Date:

- (a) in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion;
- (b) a written notice of exercise of Options specifying the number of Options being exercised (**Exercise Notice**); and
- (c) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised. Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.

## 6. Timing of issue of Shares and quotation of Shares on exercise

As soon as practicable after the valid exercise of an Option by the Optionholder, the Company will:

- (a) issue, allocate or cause to be transferred to the Optionholder the number of Shares to which the Optionholder is entitled;
- (b) issue a substitute Certificate for any remaining unexercised Options held by the Optionholder;
- (c) if required and subject to paragraph 7, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (d) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules.

All Shares issued upon the exercise of Options will upon issue rank equally in all respects with the then issued Shares.

#### 7. Restrictions on transfer of Shares

If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Options may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

### 8. Quotation of Shares on exercise

The Company will apply for official quotation on ASX of all Shares issued upon exercise of the Options within 10 Business Days after the date of issue of those Shares.

### 9. Options transferrable

The Options will not be transferable (unless otherwise approved by the Board).

## 10. Participation in new issues

There are no participation rights or entitlements inherent in the Options and the Optionholder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will give the Optionholder notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.

## 11. Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of an Option will not be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

## 12. Adjustment for entitlement issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will not be adjusted following an entitlement offer.

## 13. Adjustments for reorganisation

If there is any reorganisation of the issued share capital of the Company, the rights of the Optionholder will be varied to comply with the Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.

# Schedule 2 – Summary of Employee Securities Incentive Plan

A summary of the terms of the Plan is set out below:

- (a) (Eligible Participant): Eligible Participant means a person that:
  - (i) is an "eligible participant" (as that term is defined in ASIC Class Order [CO 14/1000]) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order [14/1000]); and
  - (ii) has been determined by the Board to be eligible to participate in the Plan from time to time.
- (b) (**Purpose**): The purpose of the Plan is to:
  - (i) assist in the reward, retention and motivation of Eligible Participants;
  - (ii) link the reward of Eligible Participants to Shareholder value creation; and
  - (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
- (c) (**Plan administration**): The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.
- (d) (Eligibility, invitation and application): The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides. On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.
- (e) (**Grant of Securities**): The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
- (f) (Terms of Convertible Securities): Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an Option or performance right), subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised a Participant does not have

any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

- (g) (Vesting of Convertible Securities): Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.
- (h) (Exercise of Convertible Securities): To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation. An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

'Market Value' means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

- (i) (Delivery of Shares on exercise of Convertible Securities): As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
- (j) (Forfeiture of Convertible Securities): Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest. Where the Board determines that a Participant has acted fraudulently or

dishonestly, or wilfully breached his or her duties to the group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
- (k) (Change of control): If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, 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.
- (I) (Rights attaching to Plan Shares): All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
- (m) (Disposal restrictions on Plan Shares): If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
- (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
- (n) (Adjustment of Convertible Securities): If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible

Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation. If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised. Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

- (o) (Participation in new issues): There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
- (p) (Amendment of Plan): Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect. No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant.

# Schedule 3 – Terms and Conditions of Performance Rights

The following terms and conditions apply to the Performance Rights which are the subject of Resolutions 10(a)-(d) (inclusive):

#### 1. Entitlement

Subject to the terms and conditions set out below, each Performance Right once vested entitles the holder (**Holder**), on conversion, to the issue of one Share.

## 2. Vesting Conditions

The Performance Rights have the following milestones attached to them (each referred to as a **Milestone**) and are subject to the milestone dates (**Milestone Dates**) set out below:

Class	Performance Milestone	Milestone Date	Expiry Date
A	The Company achieving a VWAP of at least \$0.35 over any twenty consecutive trading day period before the Milestone Date.	1 April 2021	5pm (WST) on the date that is 5 years from the date of issue.
В	The Company achieving a VWAP of at least \$0.50 over any twenty consecutive trading day period before the Milestone Date.	1 October 2021	5pm (WST) on the date that is 5 years from the date of issue.
С	The Company achieving a VWAP of at least \$0.75 over any twenty consecutive trading day period before the Milestone Date.	1 October 2022	5pm (WST) on the date that is 5 years from the date of issue.

# 3. Vesting

The Company will notify the Holder in writing (**Vesting Notice**) within 3 Business Days of becoming aware that the relevant Milestone has been satisfied. For the avoidance of doubt, each Milestone can only be satisfied once.

#### 4. Conversion

Upon receipt of a Vesting Notice, the Holder may apply to convert the Performance Rights into Shares by delivering a signed notice of conversion to the Company Secretary (**Notice of Conversion**) prior to the date that is specified in condition 2 (**Expiry Date**).

### 5. Expiry Date

Any Performance Rights that have not vested and been converted prior to the Expiry Date, will expire and lapse on the Expiry Date.

#### 6. Transfer

The Performance Rights are not transferable.

## 7. Entitlements and bonus issues

Subject always to the rights under condition 8 (**Reorganisation of Capital**), Holders will not be entitled to participate in new issues of capital offered to Shareholders such as bonus issues and entitlement issues.

## 8. Reorganisation of capital

In the event that the issued capital of the Company is reconstructed, all the Holder's rights will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the Holder's economic and other rights are not diminished or terminated.

## 9. Right to receive notices and attend general meetings

Each Performance Right confers on the Holder the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. A Holder has the right to attend general meetings of the Company.

#### 10. Voting rights

A Performance Right does not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.

## 11. Dividend rights

A Performance Right does not entitle the Holder to any dividends.

## 12. Return of capital rights

The Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

### 13. Rights on winding up

The Performance Rights have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.

#### 14. Change in control

If prior to the earlier of the conversion of the Performance Rights or the Expiry Date a Change in Control Event occurs, then each Performance Right will automatically and immediately convert into a Share.

# **15.** A **Change of Control Event** means:

- (a) takeover bid: the occurrence of the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of more than 50.1% of the Shares and that takeover bid has become unconditional (except any condition in relation to the cancellation or conversion of the Performance Rights); or
- (b) scheme of arrangement: the announcement by the Company that:
  - (i) the Shareholders have at a Court-convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either cancelled or transferred to a third party; and
  - (ii) the Court, by order, has approved the proposed scheme of arrangement.

#### 16. Takeovers limitation

- (a) Notwithstanding any other provision of these terms, if the conversion of any Performance Rights would result in any person being in breach of section 606(1) of the Corporations Act, the conversion of each Performance Right that would cause the contravention will be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1).
- (b) The Company will not be required to seek the approval of its Shareholders for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Share on the conversion of Performance Rights.
- (c) If the conversion of any Performance Rights is restricted by condition 16(a) and the resultant Shares are not issued before the Expiry Date, the Performance Rights are to expire on the Expiry Date and the Holder will have no further rights and the Company will have no further obligations in respect to the expired Performance Rights or the underlying Shares.

#### 17. Issue of Shares

Within 5 Business Days after the date on which the Company receives a Notice of Conversion or the Performance Rights convert under conditions 15(a) or 16(b), the Company will:

- (a) issue the Shares specified in the Notice of Conversion or pursuant to the conversion under conditions 15(a) or 16(b);
- (b) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (to the extent required); and
- (c) apply for official quotation on ASX of Shares issued pursuant to the conversion of the Performance Rights.

If the Company is unable to deliver a notice under condition 17(b) or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Shares issued on conversion of the Performance Rights may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

All Shares issued upon the conversion of Performance Rights will upon issue rank pari passu in all respects with other Shares.

#### 18. Quotation

Performance Rights will not be quoted on ASX. On conversion of Performance Rights into Shares, the Company will apply for quotation in accordance with condition 17(c).

## 19. No other rights

A Performance Right does not give a Holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

#### 20. Leaver

Where the Holder (or the person who is entitled to be registered as the holder) of the Performance Rights is no longer employed, or their engagement is discontinued (for whatever reason), with the Company, any unconverted and unvested Performance Rights will automatically lapse and be forfeited by the Holder, unless the Board otherwise determines in its discretion.



K-TIG Limited | ACN 158 307 549

# **Proxy Voting Form**

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by 10.00am (WST) on Wednesday 25 November 2020, being not later than 48 hours before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## **SUBMIT YOUR PROXY**

# Complete the form overleaf in accordance with the instructions set out below. YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: https://investor.automic.com.au/#/home Shareholders sponsored by a broker should advise their broker of any changes.

#### STEP 1 - APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

#### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

#### STEP 2 - VOTES ON ITEMS OF BUSINESS

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

#### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

#### SIGNING INSTRUCTIONS

Joint holding: Where the holding is in more than one name, all Shareholders 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 Proxy Voting Form when you return it.

**Companies**: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

#### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at https://automic.com.au.

## **Lodging your Proxy Voting Form:**

#### Online:

Use your computer or smartphone to appoint a proxy at

https://investor.automic.com.au/#/loginsah or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



## BY MAIL:

Automic GPO Box 5193 Sydney NSW 2001

## IN PERSON:

Automic Level 5, 126 Phillip Street Sydney NSW 2000

#### BY EMAIL:

meetings@automicgroup.com.au

#### BY FACSIMILE:

+61 2 8583 3040

#### All enquiries to Automic:

WEBCHAT: https://automicgroup.com.au/

**PHONE:** 1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)

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#### STEP 1 - How to vote VIRTUAL PARTICIPATION AT THE AGM: APPOINT A PROXY: The company is pleased to provide shareholders with the I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of opportunity to attend and participate in a virtual Meeting K-TIG Limited to be held virtually and at Ground Floor, 16 Ord Street, West Perth WA through a live audio webcast and electronic voting offering 6005 on held at 10.00am (WST) on Friday 27 November 2020 hereby: to allow Shareholders to listen to the Meeting and vote Appoint the Chair of the Meeting (Chair) OR if you are not appointing the Chair of the online. Details of the website link is provided in the Meeting as your proxy, please write in the box provided below the name of the person or Company's Letter to Shareholders which is available body corporate you are appointing as your proxy or failing the person so named or, if no together with the Notice of Meeting, at https://www.kperson is named, the Chair, or the Chair's nominee, to vote in accordance with the tig.com/announcements-and-price or on the Company's following directions, or, if no directions have been given, and subject to the relevant laws ASX market announcements page. as the proxy sees fit and at any adjournment thereof. Please refer to the Meeting ID below on the proxy form and also your Holder Number (SRN/HIN) to login to the website. The Chair intends to vote undirected proxies in favour of all Resolutions in which the Meeting ID: KTG0001 Chair is entitled to vote. Unless indicated otherwise by ticking the "for"," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention. AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION **RELATED RESOLUTIONS** Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 7a-c (inclusive), 9 and 10a-d (inclusive) (except where I/we have indicated a different voting intention below) even though Resolutions 1, 7a-c (inclusive), 9 and 10a-d (inclusive) are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair. STEP 2 – Your voting direction Resolutions For **Against Abstain** Resolutions For Against Abstain REMUNERATION REPORT APPROVAL TO ISSUE SHARES TO DIRECTORS - MR MARK **TWYCROSS** ELECTION OF DIRECTOR - MR APPROVAL TO ISSUE SHARES TO 2 ADRIAN SMITH **DIRECTORS - MR ANTHONY MCINTOSH** ELECTION OF DIRECTOR - MR RATIFICATION OF PRIOR ISSUES 3. 8a. MARK TWYCROSS OF PLACEMENT SHARES - LR 7.1 ELECTION OF DIRECTOR - MR RATIFICATION OF PRIOR ISSUES 4. 8b. ANTHONY MCINTOSH OF PLACEMENT SHARES - LR 7.1A RATIFICATION OF PRIOR ISSUES OF APPROVAL TO ISSUE SHARES TO 9 OPTIONS - MR MARK TWYCROSS DIRECTOR - MR ADRIAN SMITH RATIFICATION OF PRIOR ISSUES OF APPROVAL TO ISSUE 5b. 10a. OPTIONS - MR ADRIAN SMITH PERFORMANCE RIGHTS TO DIRECTORS - MR MARK **TWYCROSS** RATIFICATION OF PRIOR ISSUES OF APPROVAL TO ISSUE 10b. OPTIONS - MR ANTHONY PERFORMANCE RIGHTS TO MCINTOSH DIRECTORS - MR SYED BASAR **SHUEB** APPROVAL OF 10% PLACEMENT APPROVAL TO ISSUE 6. CAPACITY PERFORMANCE RIGHTS TO **DIRECTORS - MR ANTHONY MCINTOSH** APPROVAL TO ISSUE SHARES TO APPROVAL TO ISSUE 10d **DIRECTORS - MR ADRIAN SMITH** PERFORMANCE RIGHTS TO **DIRECTORS - MR STUART** CARMICHAEL Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll. STEP 3 – Signatures and contact details Individual or Securityholder 1 Securityholder 2 Securityholder 3 Sole Director and Sole Company Secretary Director / Company Secretary Contact Name: Email Address:

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).

Date (DD/MM/YY)

Contact Daytime Telephone