

ASX Announcement | 29 September 2021

Dear Shareholders,

Spectur Annual General Meeting and Shareholder Information

The Spectur Limited (**Spectur** or the **Company**) Annual General Meeting of shareholders is scheduled to be held on Friday, 29 October 2021 at 12.00 noon (WST) (**Meeting**).

In light of the current circumstances and continued uncertainty related to restrictions on gatherings, the Directors have made the decision to hold the Meeting virtually. Accordingly, there will not be a physical location where shareholders can attend the Meeting in person.

In accordance with the Treasury Laws Amendment (2021 Measures No. 1) Act 2021, the Company will not be sending hard copies of the Notice of Meeting to shareholders.

Accessing Electronic Meeting Notice

The Notice of Meeting can be viewed and downloaded from the following link:

<https://spectur.com.au/investor-services/>

Shareholders who wish to attend virtually and vote on the day of the Meeting will need to login to register by going to the following link:

https://us02web.zoom.us/webinar/register/WN_W_Z5PJ0jRfK9LDJmrQOFSQ

If you have not elected to receive notices by email, a copy of your personalised proxy form will be enclosed for your convenience.

Shareholders are encouraged to vote online at <https://investor.automic.com.au/#/loginsah> or by returning the enclosed proxy form by:

Post to: Automic GPO Box 5193 Sydney NSW 2001

Email to: meetings@automicgroup.com.au

If you have nominated an email address and have elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the important Meeting documents.

Your proxy voting instruction must be received by 12:00 noon (WST) on Wednesday 27 October 2021, being 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.

AGM considerations and Shareholder questions

A discussion will be held on all items to be considered at the AGM. All shareholders will have a reasonable opportunity to ask questions during the AGM via the virtual AGM platform, including an opportunity to ask questions of the Company's external auditor.

To ensure that as many Shareholders as possible have the opportunity to speak, Shareholders are requested to observe the following:

- all Shareholder questions should be stated clearly and should be relevant to the business of the Meeting, including matters arising from the Financial Report, Directors' Report (including the Remuneration Report) and Auditor's Report, and general questions about the performance, business or management of the Company;
- if a Shareholder has more than one question on an item, all questions should be asked at the one time; and
- Shareholders should not ask questions at the Meeting regarding personal matters or those that are commercial in confidence. Shareholders who prefer to register questions in advance of the AGM are invited to do so. Questions registered in advance must be submitted in writing to Suzie Foreman, the Company Secretary at suzief@spectur.com.au at least 48 hours before the Meeting. This will provide management with the best opportunity to provide any relevant information regarding shareholder questions for the meeting.

The Company encourages all shareholders to elect to receive electronic communications to reduce the environmental impact of paper and postage as well as the costs to Spectur. In order to receive electronic communications from the Company in the future, please update your Shareholder details online at <https://investor.automic.com.au/#/home>.

All resolutions by poll

In accordance with the Company's Constitution, the Chair intends to call a poll on each of the resolutions proposed at the AGM. Each resolution considered at the AGM will therefore be conducted by poll. The Chair considers voting by poll to be in the interests of the shareholders as a whole, and to ensure the representation of as many shareholders as possible at the meeting.

If you are unable to access any of the important Meeting documents online, please contact the Company Secretary, Suzie Foreman, on +61 (08) 9414 9061 or via email at suzief@spectur.com.au

Voting online - Participation through online platform

Shareholders are recommended to register at least 15 minutes before the scheduled start time of the Meeting and sign in per the instructions below:

1. Open your internet browser and go to <https://investor.automic.com.au/#/home>
2. Login with your username and password or click "**register**" if you haven't already created an account. **Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting**
3. After logging in, a banner will be displayed at the top once the meeting is open for registration, click on "**View**" when this appears
4. Click on "**Register**" and follow the steps
5. Click on the URL to join the webcast where you can view and listen to the virtual meeting
6. Once the Chair of the Meeting has declared the poll open for voting click on "**Refresh**" to be taken to the voting screen
7. Select your voting direction and click "**confirm**" to submit your vote. **Note that you cannot**

amend your vote after it has been submitted

Online voting for Resolutions will be open from the commencement of the Meeting at 12.00 noon WST until the Meeting Chair announces voting closure. Note that investors submitting their vote online cannot amend the vote after it has been submitted.

The Australian government and the respective State governments are implementing a wide range of measures to contain or delay the spread of COVID-19. If it becomes necessary or appropriate to make alternative arrangements to those set out in the Company's Notice of Meeting, the Company will notify Shareholders accordingly via the Company's website at <https://spectur.com.au/> and the Company's ASX Announcement Platform at asx.com.au (ASX: SP3).

This announcement is authorised for market release by the Board of Directors.

Sincerely,



Suzie Foreman
Company Secretary

Ends.

For further information, please contact:

Corporate enquiries

Spectur Limited
Gerard Dyson
p: +61 (08) 9414 9059
e: investors@spectur.com.au



SPECTUR LIMITED

ACN 140 151 579



Notice of Annual General Meeting, Explanatory Statement and Proxy Form

To be held as a virtual meeting:

PRE REGISTRATION LINK:

https://us02web.zoom.us/webinar/register/WN_W_Z5PJ0jRfK9LDJmrQOFSQ

MEETING START:

12:00pm (WST)

DATE:

Friday, 29 October 2021

IMPORTANT NOTE

The Notice of Annual General Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, lawyer or other professional adviser prior to voting.

In light of the restrictions that have been introduced as a result of the COVID-19 pandemic, the Annual General Meeting will be a virtual meeting webcast live to Shareholders. The Meeting Chair will be attending online. Shareholders may participate online by registering using the link provided in this Notice.

Important Information

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Important Dates

An indicative timetable of key proposed dates is set out below. These dates are indicative only and are subject to change.

Event	Date
Last day for receipt of Proxy Forms (Proxy Forms received after this time will be disregarded)	12:00pm (WST) Wednesday, 27 October 2021
Snapshot date for eligibility to vote	5:00pm (WST) Wednesday, 27 October 2021
Pre-Registration Opens	11:30am (WST) Friday, 29 October 2021
Annual General Meeting	12:00pm (WST) Friday, 29 October 2021

Defined Terms

Capitalised terms used in this Notice of Annual General Meeting will, unless the context otherwise requires, have the same meaning given to them in the Glossary set out in the Explanatory Statement.

Forward Looking Statements

Certain statements in the Explanatory Statement relate to future events or targets. Such statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such statements. These statements reflect views only as of the date of the Explanatory Statement. Neither the Company nor any other person gives any representation, assurance or guarantee that the occurrence of the events (expressed or implied) in any forward-looking statements in the Explanatory Statement will actually occur as and when stated, and Shareholders are cautioned not to place undue reliance on such forward-looking statements.

Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Spectur Limited (ACN 140 151 579) (**Company**) will be held at **12:00pm (WST) on 29 October 2021** as a virtual meeting online.

A pre-registration link is at https://us02web.zoom.us/webinar/register/WN_W_Z5PJ0jRfK9LDJmrQOFSQ for the purpose of transacting the business set out in this Notice. Online registrations for the Meeting will commence at 11:30am (WST).

The Explanatory Statement, which accompanies and forms part of this Notice, describes the various matters to be considered.

AGENDA

Receipt of Financial Statements and Reports

To receive and consider the annual financial report, Directors' report and Auditor's report of the Company for the financial year ended 30 June 2021, as contained in the Company's Annual Report.

Resolution 1: Adoption of Remuneration Report (advisory only)

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

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the financial year ended 30 June 2021, as contained in the Company's Annual Report for 2021, be adopted by the Company."

Resolution 2: Re-election of Director – Ms Bilyana 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 Listing Rule 14.4, article 6.2(c) of the Company's Constitution and for all other purposes, Ms Bilyana Smith, a Director who retires in accordance with article 6.3(c) of the Constitution and, being eligible, offers herself for re-election, is re-elected as a Director."

Resolution 3: Approval to Grant Director Incentive Options to a Director under Employee Incentive Plan – Mr Gerard Dyson

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

"That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of up to 1,100,000 Director Incentive Options to Mr Gerard Dyson (or his nominee), the Managing Director of the Company, pursuant to the Company's Employee Incentive Plan, on the terms and conditions described in the Explanatory Statement."

Resolution 4: Approval to Grant Director Incentive Options to a Director under Employee Incentive Plan – Ms Bilyana 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 section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of up to 500,000 Director Incentive Options to Ms Bilyana Smith (or her nominee), a Director of the Company, pursuant to the Company's Employee Incentive Plan, on the terms and conditions described in the Explanatory Statement."

Resolution 5: Approval to Grant Incentive Options to a Director under Employee Incentive Plan – Mr Darren Cooper

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

“That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of up to 500,000 Director Incentive Options to Mr Darren Cooper (or his nominee), a Director of the Company, pursuant to the Company’s Employee Incentive Plan, on the terms and conditions described in the Explanatory Statement.”

Resolution 6: Approval to Grant MD Performance Rights to a Director under Employee Incentive Plan – Mr Gerard Dyson

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

“That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of up to 2,083,333 MD Performance Rights, to Mr Gerard Dyson, the Managing Director of the Company (or his nominee), pursuant to the Company’s Employee Incentive Plan, on the terms and conditions described in the Explanatory Statement.”

Resolution 7: Approval to Grant Facility Options to Lender

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

“That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue by the Company of 2,250,000 Facility Options, exercisable at \$0.12 each on or before 31 December 2023, to Fundhost Limited (ACN 092 517 087) in its capacity as responsible entity for the EGP Concentrated Value Fund (ABN 47 803 988 600), pursuant to the terms of the Loan Facility Agreement, in the manner and on the terms and conditions set out in the Explanatory Statement. Upon the exercise of the Facility Options by Fundhost Limited, the Shares to be issued by the Company pursuant thereto may at the request of Fundhost Limited be registered in the name of National Nominees Limited as its nominee.”

By order of the Board



Suzie Foreman
Company Secretary
21 September 2021

Voting Prohibitions and Exclusions

Corporations Act Voting Prohibitions

For the purposes of sections 250BD and 250R(4) of the Corporations Act, the following persons cannot vote on the Resolutions specified in the table below unless a specific exception applies:

Resolution	Excluded Persons	Exceptions
Resolution 1	Each member of Key Management Personnel the details of whose remuneration is included in the Remuneration Report and their Closely Related Parties.	<p>A person may cast a vote on the Resolution as a proxy if the vote is not cast on behalf of a person described opposite and either:</p> <ul style="list-style-type: none"> the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or the voter is the Meeting Chair and the appointment of the Meeting Chair as proxy: <ul style="list-style-type: none"> does not specify the way the proxy is to vote on the Resolution; and expressly authorises the Meeting Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
Resolutions 3, 4, 5 and 6	Each member of Key Management Personnel and their Closely Related Parties, in their capacity as proxy for a Shareholder eligible to vote on the Resolution.	<p>The exclusion does not apply if:</p> <ul style="list-style-type: none"> both: <ul style="list-style-type: none"> the person appointed as proxy is the Meeting Chair; and the appointment expressly authorises the Meeting Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; or the appointment specifies the way the proxy is to vote on the Resolution.

Any votes cast in contravention of sections 250BD or 250R(4) of the Corporations Act will not be counted in working out a percentage of votes cast or whether the respective Resolutions are approved.

ASX Voting Exclusion Statements

For the purposes of Listing Rule 14.11, the following voting exclusion statements apply to the Resolutions. The Company will disregard any votes cast in favour of the following Resolutions by or on behalf of the persons or class of persons specified in the table below who are excluded from voting, or an Associate of those person or persons:

Resolution	Excluded Persons
Resolutions 3, 4, 5 and 6	<p>A person referred to in:</p> <ul style="list-style-type: none"> Listing Rule 10.14.1 (i.e. Directors); Listing Rule 10.14.2 (i.e. an Associate of a Director); or Listing Rule 10.14.3 (i.e. a person whose relationship with the Company or a person referred to in Listing Rules 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders), <p>who is eligible to participate in the Employee Incentive Plan, including Mr Gerard Dyson (Managing Director), Ms Bilyana Smith (Non-Executive Director) and Mr Darren Cooper (Chairperson).</p>
Resolution 7	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of the Facility Options (except a benefit solely by reason of being a holder of ordinary securities in the Company), being the Lender or its associates.

However, the Company need not disregard a vote cast in favour of Resolutions 3 to 7 if it is cast by:

- a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- the Meeting Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Meeting Chair on the Resolution as the Meeting Chair decides; or

- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Proxy Appointment and Voting Instructions

Lodgement of Proxy Form

The Proxy Form (and any power of attorney or other authority, if any, under which it is signed) must be received at an address given below by **12.00pm (WST) on Wednesday, 27 October 2021**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid. Proxy Forms may be lodged as follows:

On-line <https://investor.automic.com.au/#/loginsah>

Note: This is the fastest and easiest way to vote by proxy and is recommended by the Share Registry in light of delays to postal services caused by the COVID-19 pandemic. Proxies will no longer be accepted by hand by the Share Registry.

by post: Automic Registry Services, GPO Box 5193, Sydney, NSW 2001

by e-mail: meetings@automicgroup.com.au

Appointment of a proxy

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy. The proxy may, but need not be, a Shareholder.

If you wish to appoint the Meeting Chair as your proxy, mark the appropriate box on the Proxy Form. If the person you wish to appoint as your proxy is someone other than the Meeting Chair, please write the name of that person in the space provided on the Proxy Form. If you leave this section blank, or your named proxy does not attend the Meeting, the Meeting Chair will be your proxy.

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, you may photocopy the Proxy Form or an additional Proxy Form may be obtained by telephoning the Company's share registry on 1300 288 664 (within Australia) or + 61 2 9698 5414 (from overseas).

To appoint a second proxy you must, on each Proxy Form, state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

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 body corporate 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.

Participation through online platform

Shareholders are recommended to register at least 15 minutes before the scheduled start time of the Meeting and sign in per the instructions below:

1. Open your internet browser and go to investor.automic.com.au
2. Login with your username and password or click “**register**” if you haven’t already created an account. **Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting**
3. After logging in, a banner will be displayed at the top once the meeting is open for registration, click on “**View**” when this appears
4. Click on “**Register**” and follow the steps
5. Click on the URL to join the webcast where you can view and listen to the virtual meeting
6. Once the Chair of the Meeting has declared the poll open for voting click on “**Refresh**” to be taken to the voting screen
7. Select your voting direction and click “**confirm**” to submit your vote. **Note that you cannot amend your vote after it has been submitted**

Online voting for a Resolution will be open from the commencement of the Meeting until the Meeting Chair announces voting closure on that Resolution. Note that investors submitting their vote online cannot amend the vote after it has been submitted.

Shareholders who have validly appointed a proxy do not need to register per above, they can just refer to the Zoom link at the front of the Notice of Meeting.

Voting restrictions that may affect your proxy appointment

Members of the Key Management Personnel and their Closely Related Parties are not able to vote your proxy on Resolutions 1, 3, 4, 5 and 6 unless you have directed them how to vote. This exclusion does not apply to the Meeting Chair if their appointment as proxy expressly authorises them to vote on matters of Key Management Personnel remuneration.

If you intend to appoint the Meeting Chair, a Director or any other member of Key Management Personnel or any of their Closely Related Parties as your proxy, you are encouraged to direct them how to vote on all the Resolutions.

Meeting Chair voting of undirected proxies

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

The Proxy Form expressly authorises the Meeting Chair to exercise undirected proxies on all Resolutions including Resolutions 1, 3, 4, 5 and 6 even though these Resolutions are connected directly or indirectly with the remuneration of a member of Key Management Personnel.

Voting eligibility (snapshot date)

For the purposes of determining voting and attendance entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at **5:00pm (WST) on Wednesday, 27 October 2021**. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

Questions from Shareholders

At the Meeting, the Meeting Chair will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company and the Remuneration Report. A representative of HLB Mann Judd, as the Auditor responsible for preparing the Auditor’s report for the year ended 30 June 2021 (contained in the Annual Report), will attend the Meeting.

The Meeting Chair will also allow a reasonable opportunity for Shareholders to ask the 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 in writing by **1:00pm (WST) on Monday 25 October 2021** in the same manner as outlined above for lodgment of Proxy Forms.

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 Report. The Meeting Chair will allow a reasonable opportunity for the Auditor to respond to the questions set out on this list.

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Annual General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Annual General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary or otherwise in the Explanatory Statement.

1. Annual Financial Report

The Corporations Act requires that the Directors' report, Auditor's report and the annual financial reports of the Company for the year ended 30 June 2021 be tabled at the Meeting. These reports are contained in the Company's Annual Report.

Neither the Corporations Act nor the Company's Constitution requires a vote of Shareholders on the reports and financial statements. However, Shareholders will be given reasonable opportunity to raise questions on these reports and ask questions of the Auditor.

The Company's Annual Report is available on its website at www.spectur.com.au.

2. Resolution 1: Adoption of Remuneration Report

2.1 Background

The Remuneration Report is set out in the Directors' report section of the Annual Report.

The Corporations Act requires the Company to put a resolution to Shareholders that the Remuneration Report be adopted. In accordance with section 250R(3) of the Corporations Act, the vote on the Resolution is advisory only and does not bind the Directors or the Company.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

In accordance with Division 9 of Part 2G.2 of the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings of the Company, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's directors (other than the managing director) must go up for re-election.

It is noted that at the Company's 2020 annual general meeting the votes cast against the remuneration report represented less than 25% of the total votes cast and accordingly, a spill resolution will not under any circumstances be required for this year's Annual General Meeting.

A voting exclusion applies to Resolution 1 on the terms set out in the Notice.

The Company encourages all Shareholders to cast their votes on Resolution 1 (Adoption of Remuneration Report).

2.2 Directors' recommendation

The Directors decline to make a recommendation as to how Shareholders should vote in respect of Resolution 1 as they each hold a material personal interest in the outcome of the Resolution.

3. Resolution 2: Re-election of Director – Ms Bilyana Smith

3.1 Background

Resolution 2 seeks Shareholder approval for the re-election of Ms Bilyana Smith as a Director.

Ms Smith is a Non-Executive Director, appointed by the Board on 1 October 2019.

Ms Smith retires from office as required by article 6.3(c) of the Constitution, and being eligible, submits herself for re-election.

If Resolution 2 is not passed, Ms Smith will no longer be a Director of the Company.

3.2 **Rotation of Directors**

Article 6.3(c) of the Company's Constitution requires that one third of the Directors retire at each annual general meeting of the Company. The Directors to retire must be:

- those who have held their office the longest period of time since their last election or appointment to that office; and
- if two or more Directors have held office for the same period of time, those Directors determined by lot, unless such Directors agree otherwise.

A Director who retires under article 6.3(c) of the Company's Constitution is eligible for re-election.

3.3 **Biography – Ms Bilyana Smith**

Ms Smith brings to the Spectur Board extensive international experience as a company director, CEO, investor and strategic advisor. She is Non-Executive Director and member of Spectur's Remuneration and Nomination Committee.

Also, Board Director with Fishburners Ltd, Senior Advisor with First Home London, she runs her own advisory practice specialising in business strategy and innovation and is active in the Australian innovation and entrepreneurial space as a mentor and advisor.

Ms Smith holds an MBA from University of Sydney, Bachelor of Architecture and is a graduate member of the Australian Institute of Company Directors graduate (GAICD). She lives in Sydney.

3.4 **Directors' recommendation**

The Directors (other than Ms Smith) recommend that Shareholders vote in favour of Resolution 2. Ms Smith has a material personal interest in the outcome of the Resolution and declines to make a recommendation.

4. **Resolutions 3, 4 and 5: Approval to Grant Director Incentive Options to Directors under Employee Incentive Plan**

4.1 **Background**

Resolutions 3, 4 and 5 seek Shareholder approval for the grant of 2,100,000 Director Incentive Options as follows.

- Resolution 3: 1,100,000 Director Incentive Options to Mr Gerard Dyson or his nominee;
- Resolution 4: 500,000 Director Incentive Options to Ms Bilyana Smith or her nominee; and
- Resolution 5: 500,000 Director Incentive options to Mr Darren Cooper or his nominee.

If any of Resolutions 3, 4 or 5 is not approved by Shareholders, the Company will not grant the corresponding number of Director Incentive Options to the relevant Director or their nominee.

4.2 **Requirements under Chapter 2E of the Corporations Act**

Section 208(1) of the Corporations Act (set out in Chapter 2E) requires that, where a public company proposes to give a financial benefit to a Related Party (e.g. a Director), the company must:

- obtain the approval of the company's members in accordance with section 208 of the Corporations Act in the manner set out in sections 217 to 227 of the Corporations Act; and
- 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 grant of the Director Incentive Options to the Directors will constitute the giving of a financial benefit for the purposes of section 208 of the Corporations Act.

Section 211 of the Corporations Act provides that shareholder approval is not required to give a financial benefit in circumstances where the benefit constitutes remuneration which would be reasonable given the company's and the Related Party's circumstances.

While the Board considers the reasonable remuneration exception in section 211 of the Corporations Act would likely apply to the grant of the Director Incentive Options in the circumstances, given all Directors are potential recipients, the Board proposes to seek Shareholder approval under section 208 of the Corporations Act in the interests of transparency.

The following information is provided in relation to the proposed grant of Director Incentive Options under Resolutions 3, 4 and 5, for the purposes of section 219 of the Corporations Act:

(a) **Name of the Related Party**

The relevant Related Parties are:

- in respect of Resolution 3, Mr Gerard Dyson, the Managing Director of the Company;
- in respect of Resolution 4, Ms Bilyana Smith, a Non-Executive Director of the Company; and
- in respect of Resolution 5, Mr Darren Cooper, the Chairperson of the Company.

(b) **Nature of the financial benefit**

The financial benefit to be given is 2,100,000 Director Incentive Options as follows:

- 1,100,000 Director Incentive Options under Resolution 3;
- 500,000 Director Incentive Options under Resolution 4; and
- 500,000 Director Incentive Options under Resolution 5,

each to be granted on the terms set out in Schedule 2.

(c) **Value of financial benefit**

A valuation of the Director Incentive Options has been prepared as at the allocation date of 23 July 2021 using the Black-Scholes valuation model. The valuation applied a number of assumptions and variables, including the following:

- The Director Incentive Options will be unquoted, and exercisable at a 42% premium to the VWAP to be calculated based upon the 5-day period up to and including the date of the AGM. For the purposes of the valuation, the exercise price at the allocation date was assumed to be \$0.12, however the actual exercise price can only be determined post the AGM date;
- the Director Incentive Options are not subject to vesting conditions;
- the closing price of Shares traded on ASX at 23 July 2021 was \$0.083;
- a risk-free rate of 1.69% has been adopted;
- a dividend yield rate of nil has been adopted;
- a volatility factor of 90% has been adopted; and

The estimated value of a Director Incentive Option pursuant to the valuation is \$0.041. On this basis, the total value financial benefit to be given under:

- Resolution 3 is estimated to be \$45,162;
- Resolution 4 is estimated to be \$20,550; and
- Resolution 5 is estimated to be \$20,550.

(d) **Remuneration**

The table below sets out the total remuneration paid or payable to the Directors for the 2020 and 2021 financial years.

Related Party	2021 Financial Year	2020 Financial Year
Cash		
Mr Gerard Dyson	\$255,584 plus superannuation	\$252,000, plus \$65,500 bonus, plus superannuation
Ms Bilyana Smith	\$37,000 plus superannuation	\$28,578 plus superannuation
Mr Darren Cooper	\$69,375 plus superannuation	\$72,333 plus superannuation
Non-cash		
Mr Gerard Dyson	\$54,461	\$7,812
Ms Bilyana Smith	\$20,550	\$8,578
Mr Darren Cooper	\$20,550	\$16,083

Notes:

1. 2021 Financial Year:

Darren Cooper and Bilyana Smith elected to receive at 20% reduction in NED fees for Q1FY21 and a 10% reduction for Q2FY21 in alignment with Company policy implemented during the COVID-19 pandemic to limit overhead expenses.

Non-cash remuneration relates to the value of options and/or performance rights granted to directors. These are subject to shareholder approval at the Company's AGM.

2. 2020 Financial Year

Darren Cooper elected to receive the equivalent of \$16,083 of his fees in fully paid ordinary shares, in lieu of the cash component. Bilyana Smith elected to receive the equivalent of \$8,578 of her fees in fully paid ordinary shares, in lieu of the cash component.

(e) **Equity Security holdings**

The table below sets out the Equity Securities of the Company in which each Director has an interest. The table excludes the Director Incentive Options the subject of Resolutions 3, 4 and 5.

Related Party	Shares	Performance Rights
Mr Gerard Dyson	1,462,179 Shares	4,909,806 Performance Rights
Ms Bilyana Smith	749,614 Shares	Nil
Mr Darren Cooper	2,503,879 Shares	Nil

(f) **Voting interests**

The table below sets out each Director's current and potential voting power in the Company, assuming the vesting and exercise of the existing and proposed Equity Securities.

Equity Securities	Number	Voting power
Mr Gerard Dyson		
Existing Shares	1,462,179	1.38%
Shares on vesting and exercise of all existing Performance Rights	4,909,806	4.62%
Shares on vesting and exercise of Director Incentive Options the subject of Resolution 3	1,100,000	1.03%
TOTAL	7,471,985	7.03%
Ms Bilyana Smith		
Existing Shares	749,614	0.71%
Shares on vesting and exercise of Director Incentive Options the subject of Resolution 4	500,000	0.47%
TOTAL	1,249,614	1.18%
Mr Darren Cooper		
Existing Shares	2,503,879	2.36%
Shares on vesting and exercise of Director Incentive Options the subject of Resolution 5	500,000	0.47%
TOTAL	3,003,879	2.83%

Notes: The voting power in the table above has been calculated based on the Company having 106,305,280 Shares on issue as at the date of the Notice and assumes that none of the Directors acquire or dispose of any other Shares.

(g) **Dilution**

If all the Director Incentive Options to be granted vest and are exercised, the Company will issue 2,100,000 new Shares. Based on the number of Shares currently on issue (i.e., 106,305,280), the dilutive effect on existing Shareholders' interests would be approximately 1.98%.

(h) **Trading history**

The most recent available data concerning the price of the Company's Shares traded on ASX in the 6 months prior to the Notice is summarised in the table below.

	High	Low	Last
Price	\$0.115	\$0.065	\$0.10
Date	18 August 2021	24 May 2021 & 1 June 2021	16 September 2021

(i) **Funds raised**

The Company will not raise any funds from the grant of the Director Incentive Options. They are proposed to be granted under the Company's Employee Incentive Plan for nil cash consideration.

However, the Company will receive funds on the exercise of any Director Incentive Options. The precise amount is unknown at the date of this Notice, as the exercise price of the Director Incentive Options is yet to be fixed. The table below sets out the maximum amounts which would be received on exercise of all Director Incentive Options under different exercise price scenarios.

Exercise price	\$0.08	\$0.10	\$0.12	\$0.14	\$0.16
Funds received	\$168,000	\$210,000	\$252,000	\$294,000	\$336,000

(j) **Interests of Directors**

Mr Dyson is the only Director who has an interest in Resolution 3, being the proposed recipient of the Director Incentive Options to be granted under the Resolution.

Ms Smith is the only Director who has an interest in Resolution 4, being the proposed recipient of the Director Incentive Options to be granted under the Resolution.

Mr Cooper is the only Director who has an interest in Resolution 5, being the proposed recipient of the Director Incentive Options to be granted under the Resolution.

(k) **Directors' recommendations**

The Board does not consider it appropriate to make a voting recommendation to Shareholders in respect of Resolutions 3, 4 and 5 as each Director is proposed to receive Director Incentive Options.

However, the Board considers the grant of Director Incentive Options is reasonable given:

- Voluntary salary reductions which were taken by all Directors in FY21 as a COVID-based response to reduce expenses;
- Shares were received in lieu of cash remuneration for Non-Executive Directors in FY20, which were escrowed for 12 months;
- Non-Executive Director's remuneration remained static for the periods from FY20 - FY22, and thus the Director Incentive Options provides an incentive mechanism for the Directors;

They represent a cash-effective performance-based incentive (as opposed to alternative forms of incentives such as cash compensation) which allow the Company to apply a greater portion of its available cash on its operations.

Further, the Director Incentive Options align the interests of the Directors with the financial success of the Company, while preserving the Company's cash reserves. Exercise of the Director Incentive Options will generally only be warranted if the Company's share price increases above the exercise price of the Options.

(l) **Other information**

Other than as set out in this Explanatory Statement, the Board does not consider there is any further information which the Shareholders would reasonably require to decide whether or not to approve Resolutions 3, 4 or 5.

4.3 **Listing Rule requirements**

Listing Rule 10.14 requires Shareholder approval to be obtained where an entity issues, or agrees to issue, Equity Securities (including Options) under an employee incentive scheme to a Related Party (e.g. a Director), subject to certain specific exceptions in Listing Rule 10.16 (none of which apply to Resolutions 3, 4 or 5 in the current circumstances). Accordingly, Shareholder approval under Listing Rule 10.14 is required.

Approval pursuant to Listing Rule 7.1 is not required for the grant of the Director Incentive Options to the Directors as approval is being obtained under Listing Rule 10.14. Accordingly, the grant of the Director Incentive Options will not be included in the calculation of the Company's issuing capacity pursuant to Listing Rule 7.1.

The following information is provided in relation to the proposed grant of Director Incentive Options under Resolution 6, for the purposes of Listing Rule 10.15:

(a) **Name of the recipient**

The Director Incentive Options:

- the subject of Resolution 3 are to be granted to Mr Gerard Dyson or his nominee;
- the subject of Resolution 4 are to be granted to Ms Bilyana Smith or hers nominee; and
- the subject of Resolution 5 are to be granted to Mr Darren Cooper or his nominee.

(b) **Relevant category in Listing Rule 10.14**

Mr Dyson, Ms Smith and Mr Cooper are Directors of the Company and are therefore persons mentioned in Listing Rule 10.14.1.

(c) **Number and class of securities proposed to be issued**

A maximum of 2,100,000 Director Incentive Options will be granted to the Directors (or their respective nominees) as follows:

- 1,100,000 Director Incentive Options to Mr Dyson; and
- 500,000 Director Incentive Options to Ms Smith; and
- 500,000 Director Incentive Options to Mr Cooper.

(d) **Details of remuneration package**

The table below sets out each Director's current remuneration package.

Director	Cash	Short term incentives	Long term incentives
Mr Gerard Dyson	\$300,000 plus superannuation	A pre-tax short-term cash incentive payment of up to 50% of Mr Dyson's base salary for each financial year, subject to satisfaction of key performance indicators set by the Company annually.	Long-term equity incentive valued at 50% of Mr Dyson's base salary, issued/granted under a long-term incentive scheme (e.g. the Employee Incentive Plan) and subject to satisfaction of performance hurdles over a 3-year period.
Ms Bilyana Smith	\$40,000 plus superannuation	Nil	Nil, with the exception of the Director Options, the subject of Resolution 4.
Mr Darren Cooper	\$75,000 plus superannuation	Nil	Nil, with the exception of the Director Options, the subject of Resolution 5.

Notes: Refer to the FY21 Annual Financial Report (Remuneration Report) for further information on Short term and long term incentives.

(e) **Number of securities previously issued to recipients and average acquisition price paid**

The table below sets out details of the Equity Securities previously issued/granted to each Director under the Employee Incentive Plan, as well as any acquisition price paid or payable for the same.

Director	Equity Securities	Acquisition price
Mr Gerard Dyson	1,607,919 Performance Rights on 13 November 2019 3,301,887 Performance Rights on 30 October 2020	Nil – granted subject to vesting conditions/performance hurdles
Ms Bilyana Smith	Nil	N/A
Mr Darren Cooper	Nil	N/A

(f) **Details of securities, reason for issue and value**

The Director Incentive Options will have an exercise price equal to 142% of the VWAP over the 5 trading days up to and including the date of grant, and will have an expiry date of 30 June 2024. The Options will not be subject to vesting conditions.

The full terms of the Director Incentive Options are set out in Schedule 2.

As noted in Section 4.2(k) above, Director Incentive Options are proposed as:

- Voluntary salary reductions were taken by Directors in FY21 as a COVID based response to reduce expenses;
- Shares were received in lieu of cash remuneration for Non-Executive Directors in FY20, which were escrowed for 12 months;
- Non-Executive Director's remuneration remained static for the periods from FY20 - FY22, and thus the Director Incentive Options provides an incentive mechanism for the Directors;
- they represent a cash-effective performance-based incentive (as opposed to alternative forms of incentives such as cash compensation) which preserve the Company's cash reserves and allow the Company to apply a greater portion of its available cash on its operations; and
- they align the interests the Directors with the financial success of the Company in that exercise of the Director Incentive Options will generally only be warranted if the Company's share price increases above the exercise price of the Options.

Please refer to Section 4.2(c) in relation to the estimated value attributed to the Director Incentive Options and the basis for calculation of the same.

(g) **Date by which securities will be issued**

It is anticipated that the Director Incentive Options will be granted within 5 business days of the date of the Meeting, if the relevant Resolutions 3, 4 and 5 are approved by Shareholders, but in any case, the Director Incentive Options will be issued no later than 3 years after the date of the Meeting.

(h) **Price at which securities will be issued or formula for calculation of price**

The Director Incentive Options will be granted for nil cash consideration.

(i) **Summary of material terms of the Employee Incentive Plan**

A summary of the material terms of the Employee Incentive Plan is set out in Schedule 1.

The complete rules are available on the Company's website in the Corporate Governance page (<https://spectur.com.au/corporate-governance/>).

(j) **Terms of any loan related to acquisition of securities**

Not applicable.

(k) **Plan details**

The Company will publish details of any securities or rights issued under the Employee Incentive Plan in its annual report for the financial year in which securities or rights are issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

(l) **New participants**

Any additional persons covered by Listing Rule 10.14 (i.e. Directors, Associates of Directors or persons whose relationship with the Company or a person referred to in Listing Rules 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders) who become entitled to participate in an issue of securities or rights under the Employee Incentive Plan after Resolutions 3, 4 and 5 are approved, but were not named in this Notice, will not participate until approval is obtained under Listing Rule 10.14.

5. Resolution 6: Approval to Grant MD Performance Rights to Director under Employee Incentive Plan – Mr Gerard Dyson

5.1 Background

Resolution 6 seeks Shareholder approval for the grant of up to 2,083,333 MD Performance Rights to the Company's Managing Director, Mr Gerard Dyson (or his nominee), under the Company's Employee Incentive Plan.

The material terms of Mr Dyson's employment were released to ASX on 9 April 2019 ('Leadership Transition - Appointment of Managing Director'). Mr Dyson's remuneration package includes the following components:

- fixed remuneration, comprising base salary and superannuation;
- short-term incentives; and
- long-term incentives.

In structuring the terms of Mr Dyson's short-term and long-term incentives, the Board (excluding Mr Dyson) has carefully considered market practice among comparable companies listed on the ASX.

The Board believes that part of the remuneration for Mr Dyson's service as Managing Director should be performance-based, at risk and should involve equity interests in Spectur. The Board considers that this approach reflects best practice in executive remuneration and corporate governance.

Consistent with this approach, Mr Dyson's executive employment contract provides that he is entitled to participate in a long-term incentive award scheme in the form of Performance Rights, with the maximum achievable value of such rights to be equivalent to 50% of his base salary (excluding superannuation).

The Board proposes to grant up to 2,083,333 MD Performance Rights to Mr Dyson representing his long-term incentive award for the financial year ending 30 June 2021. The performance rights are issued for nil cash consideration but will not vest and become exercisable unless the performance conditions set by the Board are satisfied, with the final quantum to be determined on the vesting and measurement date of 30 June 2023.

The grant of long-term incentives to Mr Dyson in the form of MD Performance Rights aligns his interests with those of the Company and its Shareholders, whilst preserving the Company's cash reserves.

Further details of Mr Dyson's remuneration are set out in the Remuneration Report of the FY2021 Annual Report of Spectur Limited.

If Resolution 6 is not passed, the MD Performance Rights will not be issued to Mr Dyson.

5.2 Chapter 2E of the Corporations Act

The grant of the MD Performance Rights to Mr Dyson constitutes the giving of a financial benefit for the purposes of section 208 of the Corporations Act.

The Directors (other than Mr Dyson, who have a material personal interest in Resolution 6) consider that the grant of MD Performance Rights to Mr Dyson is reasonable remuneration within the exception in section 211 of the Corporations Act because:

- it forms part of the remuneration package for Mr Dyson negotiated on an arm's length basis prior to his appointment; and
- a remuneration review was undertaken, and Mr Dyson's remuneration was benchmarked against executives from comparable ASX listed companies. Mr Dyson's remuneration was determined to be reasonable and appropriate based upon an arm's length comparison.

Notwithstanding, in the interests of transparency, the Board proposes to seek Shareholder approval for the grant of the MD Performance Rights under section 208 of the Corporations Act.

The following information is provided in relation to the proposed grant of MD Performance Rights under Resolution 6, for the purposes of section 219 of the Corporations Act:

(a) **Name of the Related Party**

The relevant Related Party is Mr Gerard Dyson, the Managing Director of the Company.

(b) **Nature of the financial benefit**

The financial benefit to be given is 2,083,333 MD Performance Rights on the terms set out in Schedule 3.

(c) **Value of financial benefit**

A valuation of the MD Performance Rights has been prepared as at 16 September 2021 using the Black-Scholes valuation model. The valuation applied a number of assumptions and variables, including the following:

- each MD Performance Right will be measured/assessed on the date which the Company's audited financial statements for the financial year ending 30 June 2023 are publicly reported;
- following the vesting date, the holder is provided with 12 months with which to exercise the Performance Right before expiry;
- the VWAP of shares traded on ASX on the 20 trading days prior to 30 June 2021 was \$0.072 (being the date of Board award);
- a risk-free rate of 1.69% has been adopted;
- a dividend yield rate of nil has been adopted;
- a volatility factor of 90% has been adopted; and

The estimated value of an MD Performance Right pursuant to the valuation is \$0.072. On this basis, the total value financial benefit to be given if Resolution 6 is approved is estimated to be \$150,000.

(d) **Remuneration**

Please refer to Section 4.2(d) above for details of Mr Dyson's remuneration.

(e) **Equity Security holdings**

Please refer to Section 4.2(e) above for details of Mr Dyson's interests in Equity Securities of the Company.

(f) **Voting interests**

Please refer to Section 4.2(f) above for details of Mr Dyson's voting power in the Company.

(g) **Dilution**

If all the MD Performance Rights to be granted vest and are exercised, based on the number of Shares currently on issue (i.e. 106,305,280), the dilutive effect on the shareholding interests of existing Shareholders would be approximately 1.96%.

(h) **Trading history**

Please refer to Section 4.2(d) above for a summary of the Company's recent trading price history.

(i) **Funds raised**

The Company will not raise any funds from the grant of the MD Performance Rights. They are proposed to be granted under the Company's Employee Incentive Plan for nil cash consideration.

(j) **Directors' recommendation**

The Board (excluding Mr Dyson) considers the grant of MD Performance Rights to Mr Dyson is reasonable given the Company's size and stage of development. They represent a cash-effective performance-based incentive (as opposed to alternative forms of incentives such as cash compensation) which allow the Company to apply a greater portion of its available cash on its operations.

In addition, the MD Performance Rights are structured to align the interests of Mr Dyson with those of the Company such that the rights will only vest on the achievement of the relevant vesting conditions.

(k) **Interests of Directors**

Mr Dyson is the only Director who has an interest in Resolution 6, being the proposed recipient of the MD Performance Rights to be granted under the Resolution.

(l) **Other information**

Other than as set out in this Explanatory Statement, the Directors (excluding Mr Dyson) do not consider there is any further information which the Shareholders would reasonably require to decide whether or not to approve Resolution 6.

5.3 Listing Rule requirements

Shareholder approval under to Listing Rule 10.14 is required for the grant of MD Performance Rights under Resolution 6 as the rights are to be granted under the Company's Employee Incentive Plan.

Approval pursuant to Listing Rule 7.1 is not required for the grant of the MD Performance Rights to Mr Dyson as approval is being obtained under Listing Rule 10.14. Accordingly, the grant of the MD Performance Rights will not be included in the calculation of the Company's issuing capacity pursuant to Listing Rule 7.1.

The following information is provided in relation to the proposed grant of MD Performance Rights under Resolution 6, for the purposes of Listing Rule 10.15:

(a) **Name of the recipient**

The MD Performance Rights are to be granted to Mr Gerard Dyson or his nominee.

(b) **Relevant category in Listing Rule 10.14**

Mr Dyson is a Director of the Company and is therefore a person mentioned in Listing Rule 10.14.1.

(c) **Number and class of securities proposed to be issued**

A maximum of 2,083,333 MD Performance Rights will be granted to Mr Dyson or his nominee.

The number of MD Performance Rights has been calculated using the following formula:

$$A = (B \times 0.5) / C$$

where:

A is the number of MD Performance Rights to be granted;

B is Mr Dyson's contracted base salary (excluding superannuation) of \$300,000;

C is the value of each MD Performance Right calculated as \$0.072 applying the valuation referred to in Section 5.2(c) above.

(d) **Details of remuneration package**

Please refer to Section 4.3(d) above for details of Mr Dyson's remuneration package.

(e) **Number of securities previously issued to recipient and average acquisition price paid**

Please refer to Section 4.3(e) above for details of Equity Securities previously issued/granted to Mr Dyson under the Employee Incentive Plan.

(f) **Details of securities, reason for issue and value**

Each MD Performance Right will operate for up to 2 years and entitles the holder to receive one Share on satisfaction of the specified vesting conditions/performance hurdles.

The vesting conditions/performance hurdles have been determined by the Board (excluding Mr Dyson) having regard to long-term incentive key performance indicators following a consultation with Mr Dyson. They are based on the Company's Total Revenue and EBITDA results for FY23.

MD Performance Rights that do not vest and become exercisable in accordance with their vesting conditions (unless waived) will automatically lapse. Any unvested MD Performance Rights automatically lapse if Mr Dyson resigns or his employment is terminated for cause.

The full terms of the MD Performance Rights are set out in Schedule 3.

Please refer to Section **Error! Reference source not found.** as to the reasons why the Board considers the MD Performance Rights are proposed to be granted to Mr Dyson.

Please refer to Section 5.2(c) in relation to the value attributed to the MD Performance Rights and the basis for calculation of such value.

(g) **Date by which securities will be issued**

It is anticipated that the MD Performance Rights will be granted within 5 business days after the date of the Meeting, if Resolution 6 is passed by Shareholders, but in any case, the MD Performance Rights will be issued by no later than 3 years after the date of the Meeting.

(h) **Price at which securities will be issued or formula for calculation of price**

The MD Performance Rights will be granted for nil cash consideration.

(i) **Summary of material terms of the Employee Incentive Plan**

A summary of the material terms of the Employee Incentive Plan is set out in Schedule 1.

The complete rules are available on the Company's website in the Corporate Governance section (<https://spectur.com.au/corporate-governance/>).

(j) **Terms of any loan related to acquisition of securities**

Not applicable.

(k) **Plan details**

The Company will publish details of any securities or rights issued under the Employee Incentive Plan in its annual report for the financial year in which securities or rights are issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

(l) **New participants**

Any additional persons covered by Listing Rule 10.14 (i.e. Directors, Associates of Directors or persons whose relationship with the Company or a person referred to in Listing Rules 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders) who become entitled to participate in an issue of securities or rights under the Employee Incentive Plan after Resolution 6 is approved, but were not named in this Notice, will not participate until approval is obtained under Listing Rule 10.14.

5.4 **Cautionary statement regarding performance hurdles**

The MD Performance Rights contain performance hurdles which are to be satisfied for those rights to vest and be exercisable by Mr Dyson (or his nominee). These are outlined in item 8 of Schedule 3.

The performance hurdles focus on the improvement of certain financial metrics of the Company in respect of Total Revenue and EBITDA.

The performance hurdles are aspirational targets intended to incentivise Mr Dyson in a manner which aligns his interests with those of the Company. They are not, and should not be interpreted as, a forecast, estimate or prediction of the future financial performance of the Company or return on a Shareholder's investment.

Shareholders are strongly cautioned against placing any reliance on the performance hurdles in the MD Performance Rights in this regard. There cannot be any assurance that the performance hurdles (or any of them) will be satisfied within the timeframe specified in the MD Performance Right terms or at all.

5.5 **Directors' recommendation**

As noted in 5.2(j), the Directors (excluding Mr Dyson, who has a material personal interest in Resolution 6 and therefore declines to give a recommendation) recommend that Shareholders vote in favour of Resolution 6.

6. **Resolution 7: Approval to Grant Facility Options to Lender**

6.1 **Background**

On 14 May 2021, the Company entered into a loan facility agreement with the Lender (**Loan Facility Agreement**) for the provision of an unsecured loan facility (**Loan Facility**).

The material terms of the Loan Facility were released to ASX on 14 May 2021 ('Spectur Executes Final Documentation on \$1.5 Million Loan Facility'). They include the following:

- the amount of the Loan Facility is \$1,500,000;
- the Loan Facility has a 30 month term, commencing on 1 July 2021;
- interest on the unpaid balance (including unpaid interest) accrues at the rate of 7% per annum;
- a line fee of 3% per annum is payable to the Lender quarterly in advance;
- the Lender is to be granted 2,250,000 Options, exercisable at \$0.12 each on or before 31 December 2023 (i.e. the Facility Options).

Resolution 7 seeks Shareholder approval for the grant of up to 2,250,000 Facility Options to the Lender pursuant to the terms of the Loan Facility Agreement.

If Resolution 7 is not approved, the Company must repay the outstanding balance under the Loan Facility within 45 days or such later period as approved by the Lender.

6.2 **Listing Rule requirements**

In summary, 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 shares it had on issue at the start of that period.

The grant of Facility Options does not fall within any relevant exceptions under Listing Rule 7.2. Further, the Company does not have capacity to grant the Facility Options under its 15% issuing capacity pursuant to Listing Rule 7.1.

Accordingly, Shareholder approval under Listing Rule 7.1 is required for the grant of Facility Options under Resolution 7.

If Resolution 7 is approved, the grant of Facility Options will be excluded from the calculation of the number of Equity Securities that Spectur can issue without shareholder approval under Listing Rule 7.1.

In accordance with the disclosure requirements of Listing Rule 7.3, the following information is provided in relation to Resolution 7:

- (a) **The names of the persons to whom the securities will be issued or the basis on which those persons will be identified or selected**

The Facility Options will be granted to the Lender, Fundhost Limited (ACN 092 517 087) in its capacity as responsible entity for the EGP Concentrated Value Fund (ABN 47 803 988 600), or its nominees.

The Lender is not a Related Party of the Company.

- (b) **Number and class of securities to be issued**

2,250,000 Facility Options are to be granted.

- (c) **The material terms of the securities**

Each Facility Option will have an exercise price of \$0.12, an expiry date of 31 December 2023, and will otherwise be granted on the terms set out in Schedule 4.

The Facility Options are to form a class of unquoted Options.

- (d) **The date or dates on or by which the entity will issue the securities**

The Company will grant the Facility Options to the Lender (or its nominees) within 3 months after the date of the General Meeting.

The Company anticipates issuing the Facility Options on the day of, or immediately following, the Meeting.

- (e) **The issue price of the securities**

The Facility Options will be granted for nil cash consideration. Rather, the Facility Options are to be granted as part of the consideration for the Lender agreeing to provide the Loan Facility.

- (f) **The purpose of the issue, including the intended use of the funds raised**

The Facility Options are to be granted in satisfaction of the Company's obligations under the Loan Facility Agreement.

If the Facility Options are exercised, the Company will receive up to \$270,000 as the exercise price. These funds will be applied by the Company to its working capital requirements at that time.

- (g) **Material terms of issue agreement**

The Facility Options are to be granted pursuant to the Loan Facility Agreement, the material terms of which are summarised in Section 6.1 above.

- (h) **Information regarding the reverse takeover**

Not applicable.

6.3 **Directors' recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 7 as it will enable the Company to grant the Facility Options in satisfaction of its contractual obligations under the Loan Facility Agreement.

If Resolution 7 is not approved, the Lender may require the Company to repay the outstanding balance of the Loan Facility (which I not anticipated to be drawn down by the AGM) within 45 days. This would have a significant adverse effect on the financial and operating position of the Company going forward.

Glossary

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

Annual General Meeting or Meeting	The annual general meeting of Shareholders or any adjournment thereof, convened by this Notice.
Annual Report	The annual report of the Company for the financial year ended 30 June 2021, including the annual financial report, the Directors' report and the Auditor's report.
Associate	Has the meaning given to that term in the Listing Rules.
ASX	ASX Limited (ACN 008 624 691), including the financial market operated by it known as the Australian Securities Exchange.
Auditor	The auditor of the Company, being HLB Mann Judd at the date of this Notice.
Board	The Company's Board of Directors.
Chairman	The Company's non-executive chairman, Mr Darren Cooper.
Closely Related Party	<p>Has same meaning given to it in section 9 of the Corporations Act, being, in relation to a member of Key Management Personnel:</p> <ul style="list-style-type: none">(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 <i>Corporations Regulations 2001</i> (Cth) (currently none are prescribed).
Company	Spectur Limited (ACN 140 151 579).
Company Secretary	The Company Secretary of the Company at the time of the Meeting, being Ms Suzie Foreman.
Constitution	The Constitution of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	A director of the Company.
Director Incentive Option	An Option granted on the terms set out in Schedule 2.
EBITDA	Earnings before Interest, Income Tax, Depreciation and Amortisation.
Employee Incentive Plan	The Company's Employee Incentive Plan adopted at the Company's annual general meeting held on 22 October 2019, a summary of which is set out in Schedule 1.
Equity Security	<p>Has the meaning given to that term in Listing Rule 19.12, being:</p> <ul style="list-style-type: none">(a) a share;(b) a unit;(c) a right to a share or unit or option;(d) an option over an issued or unissued security;(e) a convertible security;

	<p>(f) any security that ASX decides to classify as an equity security;</p> <p>(g) but not a security that ASX decides to classify as a debt security.</p>
Explanatory Statement	This explanatory statement which accompanies and forms part of the Notice of Annual General Meeting.
Facility Option	An Option granted on the terms set out in Schedule 4.
Glossary	This glossary of terms.
Key Management Personnel	Has the same meaning as the definition of that term in section 9 of the Corporations Act, being those persons details of whose remuneration are included in the Remuneration Report having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
Lender	Fundhost Limited (ACN 092 517 087) in its capacity as responsible entity for the EGP Concentrated Value Fund (ABN 47 803 988 600).
Listing Rules	The listing rules of ASX, as amended from time to time.
Loan Facility	Has the meaning given to that term in Section 6.1.
Loan Facility Agreement	Has the meaning given to that term in Section 6.1.
MD Performance Right	A Performance Right on the terms and conditions set out in Schedule 3.
Meeting Chair	The chairperson of the Meeting.
Notice or Notice of Annual General Meeting	The notice of Annual General Meeting which accompanies this Explanatory Statement.
Performance Right	A right to be issued a Share on the satisfaction of specified vesting conditions or performance milestones.
Proxy Form	The proxy form accompanying the Notice.
Related Party	<p>Has:</p> <p>(a) the meaning given to that term in section 228 of the Corporations Act when used in the context of the Corporations Act; and</p> <p>(b) the meaning given to that term in the Listing Rules when used in the context of the Listing Rules.</p>
Remuneration Report	The remuneration report of the Company for the period ended 30 June 2021, appearing in the Director's report as set out in the Annual Report.
Resolution	A resolution set out in the Notice.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	A registered holder of a Share.
VWAP	The volume-weighted average price of Shares traded on ASX.
WST	Australian Western Standard Time, being the time in Perth, Western Australia.

Schedule 1 – Summary of Employee Incentive Plan

Awards

Under the Employee Incentive Plan, the Company may offer eligible participants equity-based awards, including Shares, Options and Performance Rights (**Awards**).

Eligibility

The persons who are eligible to participate in and be offered Awards under the Employee Incentive Plan include any full time or permanent part time employee, certain contractors (current or prospective) or officer or director of the Company or any related body corporate of the Company.

The Board has the discretion to determine which eligible participants to whom the Company will offer and issue Awards.

Vesting conditions

The vesting of any Award issued under the Employee Incentive Plan may be conditional on the satisfaction of performance and/or service conditions as determined by the Board and advised to the eligible participant in his or her offer documents.

Exercise of Awards

Unless specified in the offer documents, vested Awards issued under the Employee Incentive Plan will not automatically trigger the issue of Shares pursuant to those Awards. However, a participant will be entitled to exercise the Award in accordance with the terms contained in the offer document to the participant and the rules of the Employee Incentive Plan.

The exercise of Awards must be for a minimum number of multiple of Shares (if any) specified in the terms of the offer documents.

Price

At the discretion of the Board, Awards issued under the Employee Incentive Plan may be issued at no cost to the participants and without the participant needing to pay a subscription price or exercise price. However, Awards, once vested, may be subject to payment of an exercise price by the participant (e.g. an exercise price under an Option), which exercise price will be determined by the Board and advised to the participant in the individual's offer documents.

Lapse/forfeiture

Awards issued under the Employee Incentive Plan will lapse or be forfeited on the earliest of:

- any expiry date applicable to the Award;
- any date which the Board determines that vesting conditions (including performance hurdles) applicable to the Award must be satisfied by, unless waived by the Board;
- the participant:
 - voluntarily resigns from employment with the Company or terminates his or her contract of engagement with the Company, other than to take up employment or engagement with a related body corporate;
 - is dismissed from employment, is removed from his or her position with the Company, or has their contract of engagement terminated for breach of contract, negligence or an act which justifies summary termination at law;
 - ceases his or her employment, engagement or office for any reason and commences employment, engagement or office, or otherwise acts, in breach of any post-termination restraints; or
 - is ineligible to hold his or her office pursuant to the Corporations Act;
- the participant dealing in respect of the securities in contravention of the Employee Incentive Plan; and
- the Board determining that a participant has committed an act of fraud, is ineligible to hold the office for the purposes of Part 2D.6 of the Corporations Act or is found to have acted in a manner that the Board considers to constitute gross misconduct.

Board may elect to settle Awards in cash

If the Board determines that it is not appropriate for tax, legal, regulatory or compliance reasons to issue or transfer Shares under the Employee Incentive Plan, the Company may, in lieu and final satisfaction of the Company's obligation to issue or transfer Shares as required upon the exercise of an Award by a participant, make a cash payment to the participant in accordance with the terms of the Employee Incentive Plan.

Waiving the restriction period

The Board may waive or shorten the restriction period imposed on an Award issued under the Employee Incentive Plan.

Any restriction period imposed on an Award will be specified in the individual offer documents to the participant.

Change of Control

On the occurrence of a Change of Control (as defined in the rules of the Employee Incentive Plan), the Board will determine, in its sole and absolute discretion, the manner in which all vested and unvested Awards issued under the Employee Incentive Plan shall be dealt with.

Takeover events

The vesting and other conditions applicable to unvested or restricted Awards will be released if:

- a takeover bid is made in respect of the Company under which acceptances have been received for more than 50% of the Shares on issue and the bid is declared unconditional by the bidder; or
- a court grants orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies.

The release of conditions will only apply in relation to Awards representing 10% of the Shares on issue at the date of the relevant trigger event, and will otherwise apply proportionately across each class of restricted Awards and holders of those Awards.

No dealing or hedging

Dealing restrictions apply to restricted Awards issued under the Employee Incentive Plan in accordance with the rules of the Employee Incentive Plan and the Company's securities trading policy. Participants are prohibited from hedging or otherwise protecting the value of unvested Awards issued under the Employee Incentive Plan.

Rights attaching to Shares

Shares issued under the Employee Incentive Plan will rank equally with all existing Shares of the Company on and from the date of issue or transfer, including any applicable dividend and voting rights.

Company may issue or acquire Shares

The Company may, in its discretion, either issue new Shares or acquire Shares already on issue for transfer to a participant, or a combination of both, to satisfy the Company's obligations under the Employee Incentive Plan.

Adjustments

The Board may make any adjustment it considers appropriate to the terms of an Award issued under the Employee Incentive Plan in order to minimise or eliminate any material advantage or disadvantage to a participant resulting from a corporate action such as a capital raising or capital reconstruction.

Dilution limit

The number of Shares that may be issued upon exercise of Awards issued under the Employee Incentive Plan is set with regard to the limits prescribed under ASIC Class Order 14/1000 with respect to employee share scheme offers made without a prospectus.

In summary, these limits provide that the number of Shares that may be issued, when aggregated with a number of Shares issued during the previous 3 years from Share issues under all employee share schemes established by a company (including as a result of exercise of options to acquire Shares granted to the previous 3 years under any such employee share scheme), must not exceed 5% of the total number of Shares on issue.

Certain unregulated offers are excluded from this calculation, including offers to senior managers (e.g. Directors) and persons to whom securities may be offered without a prospectus or other disclosure document.

Continued operation of the plan

The Employee Incentive Plan may be suspended, terminated or amended at any time by the Board, subject to any resolution of the Company required by the Listing Rules.

Schedule 2 – Terms of Director Incentive Options

1. Grantor

The grantor of the Director Incentive Options is the Company.

2. Employee Incentive Plan

2.1 Each Director Incentive Option is granted under the Employee Incentive Plan (as amended), on and subject to:

- (a) the rules of the Employee Incentive Plan (**Plan Rules**);
- (b) the “Offer” (as defined in the Plan Rules) applicable to the Director Incentive Options is granted; and
- (c) these terms.

2.2 The documents referred to in item 2.1 are to be interpreted in the order of precedence set out in that item such that the provisions of a document higher in precedence prevail to the extent of any conflict or inconsistency with the provisions of any other document lower in precedence.

2.3 Capitalised terms which are defined in the Plan Rules have, when used in these terms, the meaning given to them under the Plan Rules, unless inconsistent with the context.

3. Entitlement

Each Director Incentive Option entitles the holder of that Director Incentive Option (**Option Holder**) to subscribe for one Share, subject to and in accordance with these terms.

4. No Payment on Grant

The Option Holder is not required to pay any amount on the grant of a Director Incentive Option.

5. Exercise Price

The exercise price of each Director Incentive Option is equal to 142% of the VWAP over the 5 trading days up to and including the date that the Director Incentive Option is granted (**Exercise Price**).

6. Expiry

Each Director Incentive Option may be exercised at any time before 5.00pm (WST) on 30 June 2024 (**Expiry Date**). Any Director Incentive Option not exercised by the Expiry Date will automatically expire and be cancelled.

7. Certificate or Holding Statement

The Company must give the Option Holder a certificate or holding statement stating:

- (a) the number of Director Incentive Options issued to the Option Holder;
- (b) the Exercise Price of the Director Incentive Options; and
- (c) the date of issue of the Director Incentive Options.

8. Quotation

8.1 The Director Incentive Options will form a class of unquoted securities.

8.2 The Company will apply to ASX for official quotation of the Shares issued on exercise of Director Incentive Options.

9. Transfer

9.1 A Director Incentive Option is transferable, subject to any restrictions on transfer under the Corporations Act, the Listing Rules or the Plan Rules.

9.2 Subject to the Listing Rules and the Corporations Act, the Option Holder may transfer some or all of the Options at any time before the Expiry Date by:

- (a) a proper ASTC regulated transfer (as defined in the Corporations Act) or any other method permitted by the Corporations Act; or
- (b) a prescribed instrument of transfer.

10. New Issues

The Option Holder is not entitled to participate in any new issue to the Company's shareholders of securities in the Company unless they have exercised their Director Incentive Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding Shares. The Company must give the Option Holder notice of the proposed terms of the issue or offer in accordance with the Listing Rules.

11. Bonus Issues

If the Company makes a bonus issue of Shares or other securities to shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Director Incentive Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Director Incentive Option is exercisable will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the Director Incentive Option before the record date for determining entitlements to the bonus issue.

12. Pro Rata Issues

If the Company makes a pro rata issue of Shares (except a bonus issue) to shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Director Incentive Option before the record date for determining entitlements to the issue, the Exercise Price of each Director Incentive Option will be reduced in accordance with the Listing Rules, including the formula set out in Listing Rule 6.22.2.

13. Reorganisation

13.1 If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option Holder (including the number of Director Incentive Options to which the Option Holder is entitled to and the Exercise Price) will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

13.2 Any calculations or adjustments which are required to be made will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option Holder.

13.3 The Company must, within a reasonable period, give to the Option Holder notice of any change to the Exercise Price of any Director Incentive Options held by the Option Holder or the number of Shares which the Option Holder is entitled to subscribe for on exercise of a Director Incentive Option.

14. Exercise

14.1 To exercise Director Incentive Options, the Option Holder must give the Company or its securities registry, at the same time:

- (a) a written exercise notice (in the form approved by the Board from time to time) specifying the number of Director Incentive Options being exercised and Shares to be issued;
- (b) payment of the Exercise Price for the Shares, the subject of the exercise notice, by way of bank cheque or by other means of payment, approved by the Company; and
- (c) any certificate for the Director Incentive Options.

14.2 The Option Holder may only exercise Director Incentive Options in multiples of 100,000 Director Incentive Options unless the Option Holder exercises all Director Incentive Options held by the Option Holder.

14.3 Director Incentive Options will be deemed to have been exercised on the date the exercise notice is lodged with the Company.

14.4 If the Option Holder exercises less than the total number of Director Incentive Options registered in the Option Holder's name:

- (a) the Option Holder must surrender their Director Incentive Option certificate (if any); and
- (b) the Company must cancel the Director Incentive Option certificate (if any) and issue the Option Holder a new Director Incentive Option certificate or holding statement stating the remaining number of Director Incentive Options held by the Option Holder.

15. Issue

15.1 Within 5 days after receiving an application for exercise of Director Incentive Options and payment by the Option Holder of the Exercise Price, the Company must issue the Option Holder the number of Shares specified in the application.

15.2 Subject to the Constitution, all Shares issued on the exercise of Director Incentive Options will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of the Company at the date of issue.

16. Legal and Regulatory Requirements

16.1 Approvals

The exercise of Director Incentive Options is conditional upon the Company first obtaining all required legal, regulatory and shareholder consents or approvals in relation to the same (if any).

16.2 Takeovers

- (a) If the exercise of a Director Incentive Option (or any number of Director Incentive Options) would result in any person contravening section 606 of the Corporations Act (**Takeover Restriction**), then any purported exercise of those Director Incentive Options (or any part thereof) and related issue of Shares will be deferred until such later time or times as such exercise would not result in a contravention of the Takeover Restriction.
- (b) The Company is entitled to assume that the issue of Shares on the exercise of Director Incentive Options will not result in the Option Holder or any other person being in contravention of the Takeover Restriction, unless the Company has actual notice to the contrary.

16.3 **Secondary trading restrictions**

If the Shares issued on exercise of Director Incentive Options will be subject to secondary trading restrictions under section 707 of the Corporations Act:

- (a) within 5 trading days of issuing those Shares, the Company must release to ASX a duly completed notice pursuant to section 708A(5) of the Corporations Act, meeting the requirements of section 708A(6) of the Corporations Act (**Cleansing Statement**); and
- (b) if the Company is unable to issue a Cleansing Statement:
 - (i) the Company must lodge with ASIC a prospectus prepared in accordance with Chapter 6D of the Corporations Act offering Shares (**Cleansing Prospectus**); and
 - (ii) the Company is not required to issue the Shares until the Cleansing Prospectus is lodged with ASIC.

16.4 **Conflict**

If these terms conflict with or do not comply with the Corporations Act, the Listing Rules or the Company's Constitution, the Option Holder authorises the Company to do anything necessary to rectify such conflict or non-compliance, including but not limited to unilaterally amending these terms and conditions.

16.5 **Governing law**

These terms of the Director Incentive Options, and the rights and obligations of the Option Holder, are governed by the laws of Western Australia.

Schedule 3 – Terms of MD Performance Rights

1. Grantor

The grantor of the MD Performance Rights is the Company.

2. Employee Incentive Plan

2.1 Each MD Performance Right is granted under the Employee Incentive Plan (as amended), on and subject to:

- (a) the rules of the Employee Incentive Plan (**Plan Rules**);
- (b) the "Offer" (as defined in the Plan Rules) applicable to the Director Incentive Options is granted; and
- (c) these terms.

2.2 The documents referred to in item 2.1 are to be interpreted in the order of precedence set out in that item such that the provisions of a document higher in precedence prevail to the extent of any conflict or inconsistency with the provisions of any other document lower in precedence.

2.3 Capitalised terms which are defined in the Plan Rules have, when used in these terms, the meaning given to them under the Plan Rules, unless inconsistent with the context.

3. Entitlement

Each MD Performance Right entitles the holder (**Right Holder**) to subscribe for and be issued with one fully paid ordinary share in the capital of the Company (**Share**), subject to and in accordance with these terms.

4. No payment on grant

The Right Holder is not required to pay any amount to the Company for the grant of a MD Performance Right.

5. Period of operation

Each MD Performance Right will come into effect upon grant and will operate until 5:00pm (WST) on the date falling 12 months from the date that the Company's audited financial statements for the financial year ending 30 June 2023 are reported (**End Date**), unless cancelled earlier in accordance with these terms.

6. Quotation

The Company will not apply for quotation of the MD Performance Rights on the Australian Securities Exchange (**ASX**).

7. Transferability

MD Performance Rights are not transferable other than as permitted under the Plan Rules or with the consent of the Board (at its absolute discretion).

8. Performance Hurdles

8.1 The MD Performance Rights are subject to achievements of the following "Performance Hurdle" for the purposes of the Plan Rules (**Performance Hurdles**):

- (a) Achievement against budgeted results for revenue and EBITDA as follows:

Performance Hurdles		Percentage of MD Performance Rights in respect of which Performance Hurdle is satisfied
Full Year FY23 Revenue	Full Year FY23 EBITDA	
Low Budget	Low Budget	0%
Base Budget	Base Budget	70%
High Budget	High Budget	100%

8.2 The Performance Hurdles are weighted on the basis that:

- (a) 50% of the MD Performance Rights are measured against the Performance Hurdle relating to Revenue; and
- (b) 50% of the MD Performance Rights are measured against the Performance Hurdle relating to EBITDA.

8.3 The status of the Performance Hurdles will be measured as at 30 June 2023 (**Measurement Date**) by reference to the Company's audited financial statements for the financial year ending 30 June 2023.

8.4 For the purposes of measuring satisfaction of the Performance Hurdles:

- (a) revenue will exclude or disregard:
 - (i) one-off or extraordinary revenue items;
 - (ii) revenue received in the form of government grants, allowances, rebates or other hand-outs; and
 - (iii) revenue or profit that has been “manufactured” to achieve the vesting condition; and
- (b) EBITDA will be adjusted for:
 - (i) one-off income or expenses (including COVID-19 relief);
 - (ii) Share-based compensation; and
 - (iii) impairments, write downs, one-off gains/losses and non-cash expenses.

9. Vesting Conditions

The MD Performance Rights are subject to the following “Vesting Conditions” under the Plan Rules:

- (a) in respect of 50% of the Performance Rights, satisfaction of the revenue Performance Hurdles;
- (b) in respect of 50% of the Performance Rights, satisfaction of the EBITDA Performance Hurdles; and
- (c) subject to item 12, the “Participant” (as defined in the Plan Rules) to whom the MD Performance Rights are offered by the Company (**Participant**), whether the Right Holder or not, remaining employed by the Company or any other of its related bodies corporate at the Measurement Date.

10. Vesting

Each MD Performance Right will vest in the Right Holder and become exercisable following the satisfaction of the Vesting Conditions.

11. Expiry and Cancellation

- 11.1 All MD Performance Rights which have not vested will automatically lapse and will be cancelled on the End Date.
- 11.2 All MD Performance Rights which have vested before the End Date but have not been exercised will be deemed to have been exercised immediately prior to the End Date unless the Right Holder notifies the Company otherwise in writing prior to the issue of Shares.

12. Pro-Rata Reduction

If the Participant ceases to be employed by the Company or any other of its related bodies corporate at or prior to the Measurement Date in the circumstances set out in rule 7.2 of the Plan Rules, the Board may determine in its discretion that a percentage of the unvested MD Performance Rights held by the Right Holder will lapse in accordance with the following formula:

$$A = (B / 610) \times C$$

where:

A is the number of unvested MD Performance Rights that will remain in effect;

B is the number of days elapsed from the date that the MD Performance Rights were granted until the date that the Participant ceases employment; and

C is the total number of unvested MD Performance Rights held by the Right Holder.

13. Early Pro Rata Vesting on Trigger Event

If rule 11.3 of the Plan Rules applies:

- (a) the Board may determine to waive the Vesting Conditions in relation or all any number of the unvested MD Performance Rights; and
- (b) upon a “Trigger Event” (as that term is defined in the Plan Rules) occurring, a number of the unvested MD Performance Rights will vest in accordance with the following formula:

$$A = (B / 610) \times C$$

where:

A is the number of MD Performance Rights that will vest (subject to the limitations on the number of Shares which may be issued, under clause 11.3(b) of the Plan Rules;

B is the number of elapsed from the date that the MD Performance Rights were granted until the relevant Trigger Event is announced or an agreement for the implementation of the Trigger Event is signed with the Company, whichever is the earlier in time; and

C is the total number of unvested MD Performance Rights held by the Right Holder.

14. Exercise

- 14.1 Vested MD Performance Rights may only be exercised by notice in writing to the Company (**Exercise Notice**), the form of which may be specified in the Offer or otherwise by the Company in writing, on or before the End Date.
- 14.2 Any Exercise Notice for a MD Performance Right received by the Company will be deemed to be a notice of the exercise of the MD Performance Rights specified in that notice as at the date of receipt. MD Performance Rights may only be exercised in multiples of 1,000 unless fewer than 1,000 MD Performance Rights are held, or the Board otherwise agrees.
- 14.3 The Right Holder is not required to pay any exercise price or fee upon the exercise of vested MD Performance Rights.
- 14.4 The Company must issue the relevant number of Shares to the Right Holder within 10 business days after receiving the Exercise Notice.
- 14.5 The Right Holder must provide with or at the same time as a Exercise Notice:
- (a) the "Certificate" (as defined in the Plan Rules) for the MD Performance Rights, or documentary evidence satisfactory to the Board that the Certificate was lost or destroyed; and
 - (b) where required by the Company in accordance with rule 15 of the Plan Rules, payment in full of the amount of "Withholding Tax Amount" that the Company is required to remit as a result of the exercise of the MD Performance Rights.

15. Issue of Shares

The Share issued upon exercise of a MD Performance Rights will rank equally in all respects with the Company's ordinary shares then on issue. The Company will apply to the ASX for official quotation of those Shares after they are issued.

16. Rights of Participation

16.1 New issues

- (a) A MD Performance Right does not confer on the Right Holder any participation or entitlement right inherent in holding Shares or other securities in the Company.
- (b) A Right Holder will not be entitled to participate in any new issue of Shares or other securities in the Company to the Company's shareholders unless and to the extent that the Right Holder has exercised their vested MD Performance Rights and been issued new Shares before the record date for determining entitlements to the new issue of Shares or securities and participate as a result of holding Shares.
- (c) The Company must give the Right Holder notice of any proposed new issue of Shares or other securities in the Company to the Company's shareholders, in accordance with the Listing Rules.

16.2 Bonus or pro rata issues

If the Company makes a bonus issue or pro rata issue of Shares or other securities to shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) after the grant of the MD Performance Rights, but before the expiry of those MD Performance Rights or the issue of a Share on exercise of the same, then the number of underlying Shares over which the vested MD Performance Right is exercisable will be adjusted in accordance with the Listing Rules.

17. Reorganisations

If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company (**Reorganisation**), then:

- (a) the rights of the Right Holder (including the number of MD Performance Rights to which the Right Holder is entitled) will be adjusted in accordance with the Listing Rules applicable at the date of the Reorganisation;
- (b) any calculations or adjustments which are required to be made will be made by the Company's Board of Directors and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Right Holder; and
- (c) the Company must, within a reasonable period, give to the Right Holder notice of any change to the number of Shares which the Right Holder is entitled to subscribe for on exercise of vested MD Performance Rights and other changes to the MD Performance Rights as required by the Listing Rules.

18. Legal and Regulatory Requirements

18.1 Approvals

The exercise of MD Performance Rights is conditional upon the Company first obtaining all required legal, regulatory and shareholder consents or approvals in relation to the same (if any).

18.2 **Takeovers**

- (a) If the exercise of a MD Performance Right (or any number of MD Performance Rights) would result in any person contravening section 606 of the Corporations Act (**Takeover Restriction**), then any purported exercise of those MD Performance Rights (or any part thereof) and related issue of Shares will be deferred until such later time or times as such exercise would not result in a contravention of the Takeover Restriction.
- (b) The Company is entitled to assume that the issue of Shares on the exercise of MD Performance Rights will not result in the Right Holder or any other person being in contravention of the Takeover Restriction, unless the Company has actual notice to the contrary.

18.3 **Secondary trading restrictions**

If the Shares issued on exercise of MD Performance Rights will be subject to secondary trading restrictions under section 707 of the Corporations Act:

- (a) within 5 trading days of issuing those Shares, the Company must release to ASX a duly completed notice pursuant to section 708A(5) of the Corporations Act, meeting the requirements of section 708A(6) of the Corporations Act (**Cleansing Statement**); and
- (b) if the Company is unable to issue a Cleansing Statement:
 - (i) the Company must lodge with ASIC a prospectus prepared in accordance with Chapter 6D of the Corporations Act offering Shares (**Cleansing Prospectus**); and
 - (ii) the Company is not required to issue the Shares until the Cleansing Prospectus is lodged with ASIC.

18.4 **Conflict**

If these terms conflict with or do not comply with the Corporations Act, the Listing Rules or the Company's Constitution, the Right Holder authorises the Company to do anything necessary to rectify such conflict or non-compliance, including but not limited to unilaterally amending these terms and conditions.

18.5 **Governing law**

These terms of the MD Performance Rights, and the rights and obligations of the Right Holder, are governed by the laws of Western Australia.

Schedule 4 – Terms of Facility Options

1. Grantor

The grantor of the Facility Options is the Company.

2. Entitlement

Each Facility Option entitles the holder of that Facility Option (**Option Holder**) to subscribe for one Share, subject to and in accordance with these terms.

3. No payment on grant

The Option Holder is not required to pay any amount on the grant of a Facility Option.

4. Exercise price

The exercise price of each Facility Option is \$0.12 (**Exercise Price**).

5. Expiry

Each Facility Option may be exercised at any time before 5.00pm (WST) on 31 December 2023 (**Expiry Date**). Any Facility Option not exercised by the Expiry Date will automatically expire.

6. Certificate or Holding Statement

The Company must give the Option Holder a certificate or holding statement stating:

- (a) the number of Facility Options issued to the Option Holder;
- (b) the Exercise Price of the Facility Options; and
- (c) the date of issue of the Facility Options.

7. Transfer

- (a) A Facility Option is transferable, subject to any restrictions on transfer under the Corporations Act or the Listing Rules.
- (b) Subject to the Listing Rules and the Corporations Act, the Option Holder may transfer some or all of the Options at any time before the Expiry Date by:
 - (i) a proper ASTC regulated transfer (as defined in the Corporations Act) or any other method permitted by the Corporations Act; or
 - (ii) a prescribed instrument of transfer.

8. Quotation

- (a) The Facility Options will form a class of unquoted securities.
- (b) The Company will apply to ASX for official quotation of the Shares issued on exercise of Facility Options.

9. New issues

The Option Holder is not entitled to participate in any new issue to the Company's shareholders of securities in the Company unless they have exercised their Facility Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding Shares. The Company must give the Option Holder notice of the proposed terms of the issue or offer in accordance with the Listing Rules.

10. Bonus issues

If the Company makes a bonus issue of Shares or other securities to shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Facility Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Facility Option is exercisable will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the Facility Option before the record date for determining entitlements to the issue.

11. Pro rata issues

If the Company makes a pro rata issue of Shares (except a bonus issue) to shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Facility Option before the record date for determining entitlements to the issue, the Exercise Price of each Facility Option will be reduced in accordance with the Listing Rules, including the formula set out in Listing Rule 6.22.2.

12. Reorganisation

- (a) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option Holder (including the number of Facility Options to which the Option Holder is entitled to and the Exercise Price) will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (b) Any calculations or adjustments which are required to be made will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option Holder.
- (c) The Company must, within a reasonable period, give to the Option Holder notice of any change to the Exercise Price of any Facility Options held by the Option Holder or the number of Shares which the Option Holder is entitled to subscribe for on exercise of a Facility Option.

13. Exercise

- (a) To exercise Facility Options, the Option Holder must give the Company or its securities registry, at the same time:
 - (i) a written exercise notice (in the form approved by the Board from time to time) specifying the number of Facility Options being exercised and Shares to be issued;
 - (ii) payment of the Exercise Price for the Shares, the subject of the exercise notice, by way of bank cheque or by other means of payment, approved by the Company; and
 - (iii) any certificate for the Facility Options.
- (b) The Option Holder may only exercise Facility Options in multiples of 100,000 Facility Options unless the Option Holder exercises all Facility Options held by the Option Holder.
- (c) Facility Options will be deemed to have been exercised on the date the exercise notice is lodged with the Company.
- (d) If the Option Holder exercises less than the total number of Facility Options registered in the Option Holder's name:
 - (i) the Option Holder must surrender their Facility Option certificate (if any); and
 - (ii) the Company must cancel the Facility Option certificate (if any) and issue the Option Holder a new Facility Option certificate or holding statement stating the remaining number of Facility Options held by the Option Holder.

14. Issue

- (a) Within 5 days after receiving an application for exercise of Facility Options and payment by the Option Holder of the Exercise Price, the Company must issue the Option Holder the number of Shares specified in the application. Such Shares may be registered in the name of the Option Holder or (at the request of the Option Holder) the name of its appointed nominee.
- (b) Subject to the Company's Constitution, all Shares issued on the exercise of Facility Options will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of the Company at the date of issue.

15. Legal and Regulatory Requirements

15.1 Approvals

The exercise of Facility Options is conditional upon the Company first obtaining all required legal, regulatory and shareholder consents or approvals in relation to the same (if any).

15.2 Takeovers

- (a) If the exercise of a Facility Option (or any number of Facility Options) would result in any person contravening section 606 of the Corporations Act (**Takeover Restriction**), then any purported exercise of those Facility Options (or any part thereof) and related issue of Shares will be deferred until such later time or times as such exercise would not result in a contravention of the Takeover Restriction.
- (b) The Company is entitled to assume that the issue of Shares on the exercise of Facility Options will not result in the Option Holder or any other person being in contravention of the Takeover Restriction, unless the Company has actual notice to the contrary.

15.3 Secondary trading restrictions

If the Shares issued on exercise of Facility Options will be subject to secondary trading restrictions under section 707 of the Corporations Act:

- (a) within 5 trading days of issuing those Shares, the Company must release to ASX a duly completed notice pursuant to section 708A(5) of the Corporations Act, meeting the requirements of section 708A(6) of the Corporations Act (**Cleansing Statement**); and

- (b) if the Company is unable to issue a Cleansing Statement:
 - (i) the Company must lodge with ASIC a prospectus prepared in accordance with Chapter 6D of the Corporations Act offering Shares (**Cleansing Prospectus**); and
 - (ii) the Company is not required to issue the Shares until the Cleansing Prospectus is lodged with ASIC.

15.4 **Conflict**

If these terms conflict with or do not comply with the Corporations Act, the Listing Rules or the Company's Constitution, the Option Holder authorises the Company to do anything necessary to rectify such conflict or non-compliance, including but not limited to unilaterally amending these terms and conditions.

15.5 **Governing law**

These terms of the Facility Options, and the rights and obligations of the Option Holder, are governed by the laws of Western Australia.

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 **12:00pm (WST) on Wednesday, 27 October 2021** 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

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

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/#/login>

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

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