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**HITIQ LIMITED**

**ACN 609 543 213**

**NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 10.00 am

**DATE:** 10 November 2021

**PLACE:** Virtual Meeting (See details on page 5)

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

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

*The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4.00 pm (WST) on 8 November 2021.*

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## BUSINESS OF THE MEETING

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### AGENDA

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#### FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

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#### RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

*"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2021."*

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

A voting prohibition statement applies to this Resolution. Please see below.

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#### RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR PHILIP CARULLI

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

*"That for the purpose of clause 14.2 of the Constitution and for all other purposes, Mr Philip Carulli, a Director who retires by rotation, and being eligible, is elected as a Director."*

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#### RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR OTTO BUTTULA

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

*"That for the purpose of clause 14.4 of the Constitution and for all other purposes, Mr Otto Buttula, a Director who was appointed as an additional Director on 28 January 2021, retires, and being eligible, is elected as a Director."*

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#### RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR AIDAN CLARKE

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

*"That for the purpose of clause 14.4 of the Constitution and for all other purposes, Aidan Clarke, a Director who was appointed as an additional Director on 17 April 2021, retires, and being eligible, is elected as a Director.*

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#### **RESOLUTION 5 – ISSUE OF OPTIONS TO A DIRECTOR – MR OTTO BUTTULA**

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

*"That, pursuant to and in accordance with Listing Rule 10.14, and for all other purposes, Shareholders approve the issue of 600,000 Options under the Company's Performance Rights and Option Plan to Mr Otto Buttula (and/or his nominee(s)), on the terms and conditions in the Explanatory Memorandum."*

A voting exclusion and a voting prohibition statement applies to this Resolution. Please see below.

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#### **RESOLUTION 6 – ISSUE OF OPTIONS TO A DIRECTOR – MR PHILIP CARULLI**

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

*"That, pursuant to and in accordance with Listing Rule 10.14, and for all other purposes, Shareholders approve the issue of 300,000 Options under the Company's Performance Rights and Option Plan to Mr Philip Carulli (and/or his nominee(s)), on the terms and conditions in the Explanatory Memorandum."*

A voting exclusion and a voting prohibition statement applies to this Resolution. Please see below.

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#### **RESOLUTION 7 – ISSUE OF OPTIONS TO A DIRECTOR – MR GLENN SMITH**

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

*"That, pursuant to and in accordance with Listing Rule 10.14, and for all other purposes, Shareholders approve the issue of 300,000 Options under the Company's Performance Rights and Option Plan to Mr Glenn Smith (and/or his nominee(s)), on the terms and conditions in the Explanatory Memorandum."*

A voting exclusion and a voting prohibition statement applies to this Resolution. Please see below.

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## RESOLUTION 8 – ISSUE OF OPTIONS TO A DIRECTOR – MR AIDAN CLARKE

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

*"That, pursuant to and in accordance with Listing Rule 10.14, and for all other purposes, Shareholders approve the issue of 300,000 Options under the Company's Performance Rights and Option Plan to Mr Aidan Clarke (and/or his nominee(s)), on the terms and conditions in the Explanatory Memorandum."*

A voting exclusion and a voting prohibition statement applies to this Resolution. Please see below.

Dated: 3 October 2021

By order of the Board

A handwritten signature in blue ink, appearing to read 'Peter Torre', with a long horizontal flourish extending to the right.

Peter Torre  
Company Secretary

## Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

Resolution 5,6,7 and 8 – Approval of Director Options	<p>A person who is eligible to participate in the employee incentive scheme or an associate of that person or those persons which include the following:</p> <ul style="list-style-type: none"> <li>- Mr Otto Buttula, including Webinvest Pty Ltd, Newfound Investments Pty Ltd.</li> <li>- Mr Glenn Smith, including Sevastopol Proprietary Limited</li> <li>- Mr Aidan Clarke, including RB Superannuation Fund Pty Ltd</li> <li>- Mr Philip Carulli, including Carulli Super Pty Ltd, Tipela Investments Pty Ltd and Optima Financial Group Pty Ltd</li> <li>- Mr Mike Vegar, including Michael Dean Vegar &lt;M Vegar Investment A/C&gt;</li> </ul>
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However, this does not apply to a vote cast in favour of the Resolution by:

- (a) 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; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## Voting Prohibition Statements

Resolution 1 – Adoption of Remuneration Report	A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:
Resolution 5,6,7 and 8 – Approval of Director Options	<ul style="list-style-type: none"> <li>(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or</li> <li>(b) a Closely Related Party of such a member.</li> </ul> <p>However, a person (the <b>voter</b>) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none"> <li>(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or</li> <li>(b) the voter is the Chair and the appointment of the Chair as proxy:           <ul style="list-style-type: none"> <li>(i) does not specify the way the proxy is to vote on this Resolution; and</li> <li>(ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.</li> </ul> </li> </ul>
	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is either:           <ul style="list-style-type: none"> <li>(i) a member of the Key Management Personnel; or</li> <li>(ii) a Closely Related Party of such a member; and</li> </ul> </li> <li>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</li> </ul> <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is the Chair; and</li> <li>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</li> </ul>

## **Voting in person**

In light of the uncertainties associated with the evolving COVID-19 situation and restrictions on public gatherings at the time of the Meeting, the Directors have made the decision that it is in the best interest of Shareholders' health and safety that solely a virtual Meeting be held.

**Accordingly, the Directors encourage all Shareholders to either lodge a directed proxy form prior to the Meeting or attend and vote online at the Virtual Meeting.**

## **Voting online**

If you wish to virtually attend the AGM, please **pre-register** in advance for the virtual meeting here: [https://us02web.zoom.us/webinar/register/WN\\_nvjFKNqvS3aGSPlvKXKs\\_g](https://us02web.zoom.us/webinar/register/WN_nvjFKNqvS3aGSPlvKXKs_g)

After registering, you will receive a confirmation containing information on how to attend the virtual meeting on the day of the AGM.

Shareholders who wish to vote virtually on the day of the AGM will need to login to the online meeting platform powered by Automatic.

Shareholders who do not have an account with Automatic are strongly encouraged to register for an account **as soon as possible and well in advance of the Meeting** to avoid any delays on the day of the Meeting. An account can be created via the following link [investor.automic.com.au](https://investor.automic.com.au) and then clicking on "register" and following the prompts. Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automatic.

To access the virtual meeting on the day:

1. Open your internet browser and go to [investor.automic.com.au](https://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 display at the bottom of your screen to indicate that the meeting is open for registration, click on "Register" when this appears. Alternatively, click on "Meetings" on the left-hand menu bar to access registration.
4. Click on "Register" and follow the steps
5. Once the Chair of the Meeting has declared the poll open for voting click on "Refresh" to be taken to the voting screen
6. Select your voting direction and click "confirm" to submit your vote. Note that you cannot amend your vote after it has been submitted

For further information on the live voting process please see the **Registration and Voting Guide** at <https://www.automicgroup.com.au/virtual-agms/> Shareholders are also encouraged to submit questions in advance of the Meeting to the Company.

Questions must be submitted in writing to Mr Peter Torre at [peter@torrecorporate.com.au](mailto:peter@torrecorporate.com.au) at least 48 hours before the AGM.

The Company will also provide Shareholders with the opportunity to ask questions during the Meeting in respect to the formal items of business as well as general questions in respect to the Company and its business.

## **Voting by proxy**

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

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

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

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

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

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

The Chair intends to vote undirected proxies on, and in favour of, all resolutions.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 (0)419 914 629.***

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## EXPLANATORY STATEMENT

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

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.hitiq.co](http://www.hitiq.co).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### General

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

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

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

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.



Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

### **Previous voting results**

At this is the Company's first annual general meeting as a listed company, and therefore the first occasion where the remuneration report will be up for adoption, the Spill Resolution will not be relevant for this Annual General Meeting

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## **3. RESOLUTION 2, 3 AND 4– RE-ELECTION OF DIRECTORS – MR PHILIP CARULLI, MR OTTO BUTTULA AND MR AIDAN CLARKE**

### **3.1. General**

Clause 14.2 of the Constitution requires that at each annual general meeting of the Company, one third of the Directors (to the nearest whole number), must retire from office. Clause 14.2 provides that a retiring Director is eligible for re-election.

Mr Philip Carulli retires in accordance with clause 14.2 of the Constitution and, being eligible, offers himself for re-election pursuant to clause 14.2 of the Constitution.

Clause 14.4 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Otto Buttula and Mr Aidan Clarke, having been appointed by other Directors on 28 January 2021 and 17 April 2021 respectively, will retire in accordance with the Constitution and being eligible, seek election from Shareholders.

### **3.2. Qualifications and other material directorships**

#### **Mr Philip Carulli**

Phil Carulli is a Chartered Accountant and managing director of Optima Financial Group Pty Ltd where he provides financial, taxation and corporate advisory services to a diverse range of businesses.

Over the past 23 years Mr Carulli has owned, managed and consulted to companies in professional services, construction, technology, medical, and industrial sectors to name a few. He holds a Bachelor of Business, is a registered SMSF auditor and holds a Certificate of Public Practice. Mr Carulli specialises in working with technology and R&D businesses.

#### **Mr Otto Buttula**

Mr Buttula has had extensive experience and success in investment research, funds management and information/biotechnology, holding directorships in a number of public companies. Mr Buttula's executive experience includes as a co-founder, CEO and Managing Director of IWL Ltd, an online financial services company that listed on the ASX in 1999. Growing from a market capitalisation of

\$48 million at listing, it was taken over in 2007 by Commonwealth Bank of Australia (ASX: CBA) for \$373 million.

Mr Buttula also founded and was Managing Director of Investors Mutual, prior to which he was a co-founder and director of Lonsdale Securities Ltd. Following his completion of executive duties, Mr Buttula was Non-Executive Chairman of platform and stockbroking provider Investorfirst Ltd and led the acquisition of HUB24 Ltd (ASX: HUB). More recently, he served on the Board as a Non-Executive director and Head of Audit & Risk at Imugene Ltd (ASX: IMU) between 2014 and 2016. Currently, Mr Buttula is also Non-Executive Chairman of Rhythm Biosciences Ltd (ASX: RHY), a company positioning itself to be a global leader in the mass market, early detection of colorectal cancer, via a simple blood test. Mr Buttula also recently joined Oncosil Medical Ltd (ASX: OSL) as a Non-Executive Director, a global medical device company focused on an Interventional brachytherapy device for oncology, targeting intratumoral placement of phosphorous-32 (<sup>32</sup>P) microparticles in combination with chemotherapy.

Mr Buttula holds a Bachelor of Economics from Monash University, a Graduate Diploma of Applied Finance & Investment and is a Fellow of the Australian Institute of Company Directors.

#### **Mr Aidan Clarke**

Mr Clarke is an experienced entrepreneur with close to 15 years' experience building and growing global brands within the sporting industry.

Having co-founded sporting brand 2XU, Mr Clarke was an Executive Director responsible for the Sales & Marketing functions of the company. Equipping multiple World and Olympic champions in almost every code, whilst building a global distribution network. 2XU supplied the US Navy Seals, majority of NFL teams, and 29 of the 30 NBA teams. Mr Clarke led 2XU commercialisation efforts into numerous elite sport relationships, such as a long serving AIS R&D agreement and signing multiple exclusive partnerships across high performance teams and institutions throughout the world. 2XU was partially acquired by the LVMH capital arm L-Capital for a \$200m valuation in 2014, with Mr Clarke fully exiting his shareholding in 2018.

Mr Clarke has a BA/Bcomm from Auckland University, and through experience and track record brings a strong demand generation lens and skillset to HITIQ.

### **3.3. Independence**

The Board considers that Mr Carulli is not an independent Director due to the provision of accounting services to the Company by Optima Financial Group Pty Ltd for which he is Managing Director.

The Board has assessed the status of Mr Buttula as an Independent Director. Mr Buttula was considered not to be an independent director at the time of the Company's IPO due to his shareholding in the Company immediately prior to IPO being in excess of 5% of the total shares on issue. Subsequent to the IPO, Mr Buttula is no longer a substantial shareholder. Whilst Mr Buttula (and each of the other directors) are eligible to participate in the Company's employee incentive schemes, the level of that participation is not considered to be material. As such, the Board considers that Mr Buttula is free of any material interest, position or relationship that might influence or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issued before the board and to act in the best interests of the Company as a whole.

The Board considers that Mr Clarke is an independent Director.

### 3.4. Other material information

The Company conducted checks on the background and experience of all directors as part of its initial public offering in June 2021.

### 3.5. Board recommendation

The Board, other than Mr Carulli, supports the re-election of Mr Carulli and recommends that Shareholders vote in favour of Resolution 2.

The Board, other than Mr Buttula, supports the re-election of Mr Buttula and recommends that Shareholders vote in favour of Resolution 3.

The Board, other than Mr Clarke, supports the re-election of Mr Clarke and recommends that Shareholders vote in favour of Resolution 4.

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## 4. RESOLUTION 5, 6, 7 AND 8 – ISSUE OF OPTIONS TO DIRECTORS

### BACKGROUND

The Company has agreed, subject to obtaining Shareholder approval, to issue the following unlisted options exercisable at \$0.30 expiring on 10 November 2024 ("Options") to some of its directors (or Nominee(s):

- (i) up to 600,000 Options to Mr Otto Buttula;
- (ii) up to 300,000 Options to Philip Carulli;
- (iii) up to 300,000 Options to Mr Glenn Smith; and
- (iv) up to 300,000 Options to Mr Aidan Clarke,

each of which vesting as follows:

	Vesting Condition		
Director	12 Months service from appointment	Company Achieving \$2m Annual Recurring Revenue within 2 years	Company Achieving \$3m Annual Recurring Revenue within 3 years
Mr Otto Buttula	150,000	225,000	225,000
Mr Philip Carulli	75,000	112,500	112,500
Mr Glenn Smith	75,000	112,500	112,500
Mr Aidan Clarke	75,000	112,500	112,500

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

The grant of these Options constitutes giving a financial benefit and Messrs Buttula, Carulli, Smith and Clarke are related parties of the Company by virtue of being Directors (**Relevant Directors**).

In addition, ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Options to the Related Parties.

#### **Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.14)**

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15, the following information is provided in relation to the proposed grant of the Options:

- (a) the related parties are Messrs Buttula, Carulli, Smith and Clarke and they are related parties by virtue of being Directors;
- (b) the maximum number of Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is:
  - (i) up to 600,000 Options to Mr Otto Buttula;
  - (ii) up to 300,000 Options to Philip Carulli;
  - (iii) up to 300,000 Options to Mr Glenn Smith; and
  - (iv) up to 300,000 Options to Mr Aidan Clarke,
- (c) the Options will be granted to the Related Parties no later than 1 month after the date of the Meeting ((and in any case, no later than 12 months after the date of the Meeting));
- (d) no loans have been entered into for the purpose of the proposed issue of the Options;
- (e) the Options will be granted for nil cash consideration; accordingly, no funds will be raised;
- (f) the Options will vest upon the satisfaction on conditions set out in Section 4.1;
- (g) the additional terms and conditions of the Options are set out in Schedule 1;

- (h) all Directors are entitled to participate in the Plan. Approval is being sought only for the offers to the Relevant Directors;
- (i) no Options have previously been issued under the Plan to the Relevant Directors;
- (j) the value of the Options for each Director using the Black-Scholes Option Valuation Methodology and the relevant assumptions are as follows;

Related Party	Value \$
Otto Buttula	29,725
Philip Carulli	16,245
Glenn Smith	16,245
Aidan Clarke	14,862

- (i) The risk free rate applied was 0.12%;
  - (ii) The underlying security spot price of \$0.18 being the Company's share price as at the date of valuation;
  - (iii) The estimated volatility used in the valuation is 100%;
  - (iv) For the purposes of the valuation, no future dividend payments have been forecast.
  - (v) The expiry date on the options is 3 years from date of issue
- (k) the relevant interests of the Related Parties (and their related entities) in securities of the Company are set out below:

Related Party	Shares	Options
Otto Buttula	4,533,334	-
Philip Carulli	2,228,334	700,000
Glenn Smith	212,500	-
Aidan Clarke	375,000	-

- (l) the remuneration and emoluments from the Company to the Relevant Directors for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Otto Buttula	92,400	38,325
Philip Carulli	42,000	25,000
Glenn Smith	42,000	28,000
Aidan Clarke	42,000	1,750

- (m) the Board acknowledges the grant of Options to the Relevant Directors is contrary to the suggested guidelines for non-executive remuneration as set out in Box 8.2 of Principal 8 of The Corporate Governance Principles and Recommendations (4<sup>th</sup> Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of Options to these Directors reasonable in the circumstances for the reason set out in paragraph (o);
- (n) the primary purpose of the grant of the Options to the Relevant Directors is to provide a performance linked incentive component in the remuneration package for the Relevant Directors to motivate and reward the performance of the Relevant Directors in their respective roles as Directors;
- (o) Mr Buttula declines to make a recommendation to Shareholders in relation to Resolution 5 due to a material personal interest in the outcome of the Resolution on the basis that he is to be granted Options in the Company should Resolution 5 be passed. However, in respect of Resolutions 6, 7 and 8, Mr Buttula recommends that Shareholders vote in favour of those Resolutions for the following reasons:
  - (i) the grant of Options to the Relevant Directors, in particular, the vesting conditions of the Options, will align the interests of the Relevant Directors with those of Shareholders and executives of the Company;
  - (ii) the grant of the Options is a reasonable and appropriate method to provide cost effective remuneration to reward the Relevant Directors for their commitment and service to the Company to date and in future periods; and
  - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Options upon the terms proposed;
- (p) Mr Carulli declines to make a recommendation to Shareholders in relation to Resolution 6 due to a material personal interest in the outcome of the Resolution on the basis that he is to be granted Options in the Company should Resolution 6 be passed. However, in respect of Resolutions 5, 7 and 8, Mr Carulli recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (p);
- (q) Mr Clarke declines to make a recommendation to Shareholders in relation to Resolution 7 due to a material personal interest in the outcome of the Resolution on the basis that he is to be granted Options in the Company should Resolution 7 be passed. However, in respect of Resolutions 5, 6 and 8, Mr Carulli recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (p);
- (r) Mr Smith declines to make a recommendation to Shareholders in relation to Resolution 8 due to a material personal interest in the outcome of the Resolution on the basis that he is to be granted Options in the Company should Resolution 8 be passed. However, in respect of Resolutions 5, 6 and 7, Mr Smith recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (p);
- (s) with the exception of the Relevant Directors, no other Director has a personal interest in the outcome of Resolutions 5, 6, 7 and 8;

- (t) Mr Mike Vegar recommends that Shareholders vote in favour of Resolutions 5, 6, 7 and 8 for the reasons set out in paragraph (p);
- (u) in forming their recommendations, each Director considered the experience of each other Relevant Director, the current market price of Shares, the current market practices when determining the number of Options to be granted as well as the exercise price and expiry date of those Options;
- (v) none of the Relevant Directors voted at a Board level on the respective resolutions to issue their Options; and
- (w) There have been no previous issues to the Relevant Directors under the Company's Performance Rights and Option Plan.
- (x) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 5, 6, 7 and 8.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Options to the Relevant Directors as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the issue of Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

Details of any securities issued under the Performance Rights and Option Plan will be published in the annual report of the entity relating to the period in which they were issued along with a statement that approval for the issue was obtained under Listing Rule 10.14

Any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of securities under the Performance Rights and Option Plan after each of Resolutions 5,6,7 and 8 are approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

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## GLOSSARY

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\$ means Australian dollars.

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

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

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

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

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

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

**Chair** means the chair of the Meeting.

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

a spouse or child of the member;

a child of the member's spouse;

a dependent of the member or the member's spouse;

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;

a company the member controls; or

a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means HITIQ Limited (ACN 609 543 213).

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

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

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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



**Managing Director** means the managing director of the Company who may, in accordance with the Listing Rules, continue to hold office indefinitely without being re-elected to the office.

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

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

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

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 31 December 2020.

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

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

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

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

**Vacating Directors** means the Directors who were directors of the Company when the resolution to make the directors' report considered at the last annual general meeting of the Company was passed, other than the Managing Director at that time.

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

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## SCHEDULE 1 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS AND OPTIONS PLAN

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The material terms and conditions of the Performance Rights and Options Plan (**Plan**) are as follows:

- (a) **Eligibility:** Participants in the Plan may be:
- (i) a Director (whether executive or non-executive) of the Company and any Associated Body Corporate of the Company (each, a **Group Company**);
  - (i) a full or part time employee of any Group Company;
  - (ii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**); or
  - (iii) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,
- who is declared by the Board to be eligible to receive grants of Options or Performance Rights (**Awards**) under the Plan (**Eligible Participant**).
- (b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant to apply for Awards, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines.
- (c) **Plan limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Awards offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- (d) **Issue price:** Performance Rights granted under the Plan will be issued for nil cash consideration. Unless the Options are quoted on the ASX, Options issued under the Plan will be issued for no more than nominal cash consideration.
- (e) **Exercise price:** The Board may determine the Option exercise price (if any) for an Option offered under that Offer in its absolute discretion. To the extent the Listing Rules specify or require a minimum price, the Option exercise price must not be less than any minimum price specified in the Listing Rules.
- (f) **Vesting conditions:** An Award may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Awards (**Vesting Conditions**).
- (g) **Vesting:** The Board may in its absolute discretion (except in respect of a change of control occurring where Vesting Conditions are deemed to be automatically

waived) by written notice to a Participant (being an Eligible Participant to whom Awards have been granted under the Plan or their nominee where the Awards have been granted to the nominee of the Eligible Participant (**Relevant Person**)), resolve to waive any of the Vesting Conditions applying to Awards due to:

- (i) special circumstances arising in relation to a Relevant Person in respect of those Awards, being:
  - (A) a Relevant Person ceasing to be an Eligible Participant due to:
    - (I) death or total or permanent disability of a Relevant Person; or
    - (II) retirement or redundancy of a Relevant Person;
  - (B) a Relevant Person suffering severe financial hardship;
  - (C) any other circumstance stated to constitute "special circumstances" in the terms of the relevant offer made to and accepted by the Participant; or
  - (D) any other circumstances determined by the Board at any time (whether before or after the offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant,  
  
(**Special Circumstances**), or
- (ii) a change of control occurring; or
- (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.

(h) **Lapse of an Award:** An Award will lapse upon the earlier to occur of:

- (i) an unauthorised dealing, or hedging of, the Award occurring;
- (ii) a Vesting Condition in relation to the Award is not satisfied by its due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to vest the Award in the circumstances set out in paragraph (g) or the Board resolves, in its absolute discretion, to allow the unvested Awards to remain unvested after the Relevant Person ceases to be an Eligible Participant;
- (iii) in respect of unvested Awards only, a Relevant Person ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Award in the circumstances set out in paragraph (g) or the Board resolves, in its absolute discretion, to allow the unvested Awards to remain unvested after the Relevant Person ceases to be an Eligible Participant;
- (iv) in respect of vested Awards only, a Relevant Person ceases to be an Eligible Participant and the Award granted in respect of that Relevant Person is not exercised within a one (1) month period (or such later date as the Board determines) of the date that person ceases to be an

Eligible Participant;

- (v) the Board deems that an Award lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
  - (vi) the Company undergoes a change of control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Award; and
  - (vii) the expiry date of the Award.
- (i) **Not transferrable:** Subject to the Listing Rules, Awards are only transferrable in Special Circumstances with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death, to the Participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.
- (j) **Shares:** Shares resulting from the exercise of the Awards shall, subject to any Sale Restrictions (refer paragraph (k)) from the date of issue, rank on equal terms with all other Shares on issue.
- (k) **Sale restrictions:** The Board may, in its discretion, determine at any time up until exercise of Awards, that a restriction period will apply to some or all of the Shares issued to a Participant on exercise of those Awards (**Restriction Period**). In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such Restriction Period.
- (l) **Quotation of Shares:** If Shares of the same class as those issued under the Plan are quoted on the ASX, the Company will, subject to the Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 5 business days of the later of the date the Shares are issued and the date any Restriction Period applying to the Shares ends.
- (m) **No participation rights:** There are no participation rights or entitlements inherent in the Awards and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Awards without exercising the Award.
- (n) **Change in exercise price of number of underlying securities:** An Award does not confer the right to a change in exercise price or in the number of underlying Shares over which the Award can be exercised.
- (o) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a Participant are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation.
- (p) **Amendments:** Subject to express restrictions set out in the Plan and complying with the Corporations Act, Listing Rules and any other applicable law, the Board may, at any time, by resolution amend or add to all or any of the provisions of the Plan, or the terms or conditions of any Award granted under the Plan including giving any amendment retrospective effect.



HitiQ Limited | ACN 609 543 213

# Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Your proxy voting instruction must be received by **10.00am (AWST) on Monday, 8 November 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/#/loginsah> or scan the QR code below using your smartphone

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



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

#### BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

**PHONE:** 1300 288 664 (Within Australia)

+61 2 9698 5414 (Overseas)

