

ASX: KTG

25 October 2021

Dear Shareholder

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

Notice is hereby given that the Annual General Meeting (Meeting) of K-TIG Limited (ACN 071 397 487) will be held at 2.30pm (WST) on Friday, 26 November 2021 at Ground Floor, 16 Ord Street, West Perth, WA 6005.

The Australian Securities and Investments Commission (ASIC) has adopted a temporary 'no-action' position in relation to the convening and holding of shareholder meetings. The position follows on from the Corporations (Coronavirus Economic Response) Determination (No. 3) 2020 which expired on 21 March 2021. ASIC's 'no action' policy addresses, amongst other things, companies providing shareholders with details of an online location where the contents of a notice of meeting can be viewed and downloaded. Accordingly, the Company is not sending hard copies of the Meeting materials to shareholders, unless specifically requested following the date of this letter.

Instead, a copy of the Notice is available on the Company's website at www.k-tig.com/announcements-and-price. Alternatively, a complete copy of the meeting documents has been posted to the Company's ASX market announcements page. If you have elected to receive notices by email, a copy of the proxy form will be emailed to you. If you have not elected to receive notices by email, a copy of your proxy form will be posted to you, together with this Letter.

The Company will hold a physical meeting with the appropriate social gathering and physical distancing measures in place to comply with the Federal Government's and State Government's current restrictions on physical gatherings. **However, in order to minimise the risk to shareholders and to the Company and its ongoing operations, Shareholders are encouraged to vote by proxy instead of attending the meeting.**

The Meeting will be accessible to all Shareholders via a live webinar, which will allow Shareholders to listen to and observe the Meeting. There is a facility to submit questions during the Meeting. If you wish to attend the live webinar, please use the holding details to pre-register at https://us02web.zoom.us/webinar/register/WN_LouMT2TuS1GWj4JsZVIOdw. Shareholders should note that the live webinar will not provide a voting mechanism during the Meeting. If Shareholders intend to vote during the Meeting, they must attend in person on the date and the place set out above.

The situation regarding COVID-19 is evolving rapidly and the Company is following the guidance of the Australian Government. Shareholders are encouraged to monitor the Company's ASX announcements for any further updates in relation to the Meeting.

The Meeting materials are important and should be read in their entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser.

Yours sincerely

Deborah Ho
Company Secretary

K-TIG LIMITED

ACN 158 307 549

NOTICE OF ANNUAL GENERAL MEETING

TIME: 2.30pm (WST)

DATE: Friday, 26 November 2021

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meetings are those who are registered Shareholders at 4.00 pm (WST) on 24 November 2021.

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that an Annual General Meeting of K-TIG Limited (ACN 158 307 549) (**Company**) will be held as a physical meeting only at 2.30pm (WST) on Friday, 26 November 2021 at Ground Floor, 16 Ord Street, West Perth, WA 6005. There will be a live webinar made available for Shareholders to listen and observe the Meeting only. Shareholders should be aware that if they access the Meeting via the live webinar, they will not be able to vote at the Meeting and they will not be taken as attending the Meeting in respect of forming a quorum, they will simply be observing the Meeting as Shareholders.

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

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company at 4.00pm (WST) on 24 November 2021.

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

1. FINANCIAL STATEMENTS AND REPORTS

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2021, which includes the Financial Report, the Directors' Report and the Independent Auditor's Report.

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

2. RESOLUTION 1 – REMUNERATION REPORT

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

"That the Remuneration Report be adopted by Shareholders on the terms and conditions in the Explanatory Statement".

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

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR STUART CARMICHAEL

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

"That, for the purposes of clause 7.2 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Stuart Carmichael, retires and, being eligible and offering himself for re-election, be re-elected as a Director."

4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

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

"That the Company have the additional capacity to issue Equity Securities provided for in Listing Rule 7.1A on the terms and conditions in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast in favour of this Resolution, if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under the Additional Placement Facility, by or on behalf of any persons who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any associate of those persons.

The above voting exclusion does not apply to a vote cast in favour of the relevant Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with 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, 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.

5. RESOLUTION 4 – APPROVAL TO INCREASE NON-EXECUTIVE DIRECTORS' REMUNERATION

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

"That the increase of the maximum total aggregate amount of fees payable to non-executive Directors to \$500,000 per annum is approved under and for the purposes of 7.8(a) of the Constitution, Listing Rule 10.17 and for all other purposes, on the terms and conditions set out in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a Director, or any of their respective associates.

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

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote, 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: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

6. RESOLUTION 5 - APPROVAL OF CHANGE OF AUDITOR

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

"Subject to the Australian Securities and Investments Commission (ASIC) consenting to the resignation of BDO Audit (SA) Pty Ltd as auditor of the Company, that for the purposes of section 327B(1)(b) of the Corporations Act and for all other purposes, BDO Audit Pty Ltd, having consented in writing to act as auditor of the Company, is appointed as auditor of the Company with effect from the later of the conclusion of this Meeting and the day on which ASIC give its consent."

7. RESOLUTION 6 - RENEWED APPROVAL OF EMPLOYEE SECURITIES INCENTIVE PLAN

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

'That the existing employee incentive scheme of the Company known as the "K-Tig Limited Employee Securities Incentive Plan" and the issue of up to 18,172,341 Securities under that plan are approved under and for the purposes of exception 13(b) of Listing Rule 7.2 and for all other purposes, on the terms and conditions in the Explanatory Statement.'

Voting exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is eligible to participate in the employee incentive scheme, or any of their respective associates.

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

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote, 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: In accordance with sections 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- (a) the proxy is the Chair; and

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

8. RESOLUTION 7 - APPROVAL OF POTENTIAL TERMINATION BENEFITS UNDER THE PLAN

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

"That, conditional on Resolution 6 being approved, for a period commencing from the date this Resolution is passed and ending upon the expiry of all Securities issued or to be issued under the "K-TIG Limited Employee Securities Incentive Plan", the giving of benefits to any current or future person holding a managerial or executive office of the Company or a related body corporate in connection with that person ceasing to hold such office is given under and for the purposes of Part 2D.2 of the Corporations Act, on the terms and conditions in the Explanatory Statement."

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

(a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

(a) the proxy is the Chair; and

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

Further, in accordance with section 200E(2A) of the Corporations Act, a vote on this Resolution must not be cast by any participants or potential participants in the Plan and their associates, otherwise the benefit of this Resolution will be lost by such a person in relation to that person's future retirement.

However, a vote may be cast by such a person if:

(a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; and

(b) it is not cast on behalf of the person or an associate of the person.

DATED: 25 OCTOBER 2021

BY ORDER OF THE BOARD


STUART CARMICHAEL
CHAIRMAN

Proxy Appointment and Voting Instructions

Voting by poll

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

Voting by proxy

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

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

Physical Attendance at Meeting

The Company advises Shareholders that the Meeting will be held in compliance with any government restriction on gatherings in Australia (and/or Western Australia). Due to the evolving COVID-19 situation, the Company strongly encourages all Shareholders to vote by directed proxy rather than attend the meeting in person.

If it becomes necessary or appropriate to make alternative arrangements to those detailed in this Notice, Shareholders will be updated via the ASX announcements platform and on the Company's website at <http://www.k-tig.com>.

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

Live stream of Annual General Meeting

The Meeting will be accessible to all Shareholders via a live webinar, which will allow Shareholders to listen to and observe the Meeting. There is a facility to submit questions during the Meeting. If you wish to attend the live webinar, please use the holding details to pre-register at https://us02web.zoom.us/webinar/register/WN_LouMT2TuS1GWj4JsZVIOdw.

Shareholders should note that the live webinar will not provide a voting mechanism during the Meeting. If Shareholders intend to vote during the Meeting, they must attend in person on the date and the place set out above.

Proxy Form

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

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

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

If you wish to appoint the Chair as your proxy, mark the appropriate box on the Proxy Form. If you appoint the Chair as your proxy, he or she can only cast your votes on Resolutions 1, 4, 6 and 7 if you expressly authorise him or her to do so. If the person you wish to appoint as your proxy is someone other than the Chair, please write the full name of that person on the Proxy Form. If you leave this section blank, or your named proxy does not attend the Meeting, the Chair will be your proxy. A proxy need not be a Shareholder of the Company.

Corporate Shareholders

Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the

Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

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

Corporate Representatives

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

Votes on Resolutions

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

Voting Restrictions That May Affect Your Proxy Appointment

Due to the voting exclusions that may apply to certain items of business, the Key Management Personnel and their Closely Related Parties will not be able to vote your proxy on Resolutions 1, 4, 6 and 7 unless you have directed them how to vote or, in the case of the Chair, if you expressly authorise him or her.

Chair Voting Undirected Proxies

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

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

Voting Eligibility – Snapshot Date

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

The Directors have determined that all Shares of the Company that are quoted on ASX at 4.00pm WST on Wednesday, 24 November 2021 shall, for the purpose of determining voting entitlements at the Meeting, be taken to be held by the persons registered as holding the Shares at that time. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Defined terms

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

Questions from Shareholders

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by Wednesday, 24 November 2021 to the Company Secretary at Ground Floor, 16 Ord Street, West Perth, Western Australia, 6005.

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

As required under section 250PA of the Corporations Act, the Company will make available at the Meeting those questions directed to the Company auditor received in writing at least 5 Business Days prior to the Meeting, being questions which the Company auditor considers relevant to the

content of the Auditor's Report or the conduct of the audit of the Financial Report for the year ended 30 June 2021. The Chair will allow a reasonable opportunity for the Company auditor to respond to the questions set out on this list.

Questions Regarding the Notice of Annual General Meeting

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

EXPLANATORY STATEMENT

1. INTRODUCTION

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

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

2. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution and section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2021.

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

3. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

3.1 Adoption

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to vote at the annual general meeting. In accordance with subsection 250R(3) of the Corporations Act, the vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

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

3.2 Spill resolution

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

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

All of the Directors who were in office when the Directors' Report (as included in the Company's annual financial report for the financial year ended immediately before the second annual general meeting) was approved, other than the managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

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

The Company's Remuneration Report did not receive a Strike at the 2020 annual general meeting. Accordingly, a Spill Resolution will not be required at the Meeting in any event. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2022 annual general meeting, this may result in the re-election of the Board.

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 Financial Report.

3.3 Proxy restrictions

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

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

Notes:

¹ Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

² Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).

³ Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

⁴ The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

3.4 Directors' recommendations

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

4. RESOLUTION 2 – ELECTION OF DIRECTOR – MR STUART CARMICHAEL

4.1 General

Article 7.2(a) of the Constitution and Listing Rule 14.4 both provide that a Director (excluding the Managing Director) must not hold office (without re-election) past the third annual general meeting following that Director's appointment or 3 years, whichever is the longer.

Clause 7.4 of the Constitution provides that a Director who retires in accordance with Article 7.2 is eligible for re-election.

Mr Stuart Carmichael was last elected at the 2018 annual general meeting. Accordingly, Mr Carmichael retires at this Meeting and, being eligible, seeks re-election pursuant to Resolution 2.

4.2 Background on Mr Carmichael

Mr Carmichael has extensive international corporate advisory, mergers and acquisitions, and operational experience. Mr Carmichael held various senior executive leadership positions with UGL, DTZ, AJG and KPMG Corporate Finance. Mr Carmichael has extensive corporate and operational experience across multiple geographies having lived and worked in the US, UK, Europe, the Middle East and Australia.

Mr Carmichael's sector experience includes the construction, transportation and logistics, facilities management, corporate real estate and professional services sectors. Mr Carmichael graduated from the University of Western Australia with a Bachelor of Commerce degree, majoring in Accounting and Finance and is a qualified Chartered Accountant.

Mr Carmichael is currently a non-executive director of De.mem Limited (ASX:DEM), ClearVue Technologies Limited (ASX:CPV), Swick Mining Services Limited (ASX:SWK), Osteopore Limited (ASX:OSX) and Harvest Technology Group Limited (ASX:HTG), and the non-executive chairman of Schrole Limited (ASX:SCL).

Mr Carmichael has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

4.3 Directors' recommendations

If elected, the Board considers Mr Carmichael to be an independent Director.

The Board (excluding Mr Carmichael) recommends that Shareholders vote in favour of Resolution 2 for the following reasons:

- (a) Mr Carmichael is a highly experienced and long-standing Board member;
- (b) Mr Carmichael has the necessary skills and experience to enhance the Board's ability perform its role; and
- (c) Mr Carmichael will continue to be instrumental in the continued growth of the Company.

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

5. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

5.1 Background

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

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

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

If Resolution 3 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 3 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

5.2 Information on Additional Placement Facility

(a) Is the Company an eligible entity?

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

The Company is an eligible entity for these purposes as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$59.18million, based on the closing price of Shares (\$0.35) on 22 October 2021.

If on the date of the Meeting, the Company's market capitalisation exceeds \$300 million or it has been included in the S&P/ASX 300 Index, this Resolution 3 will no longer be effective and will be withdrawn.

(b) What Equity Securities can be issued?

Any Equity Securities issued under the Additional Placement Capacity must be in the same class as an existing class of quoted Equity Securities of the eligible entity.

The Company currently has one class of quoted Equity Securities on issue, being Shares (ASX Code: KTG).

(c) How many Equity Securities can be issued?

Listing Rule 7.1A.2 provides that under the approved Additional Placement Facility, the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of Shares on issue 12 months before the date of issue or agreement:

(A) plus the number of fully paid Shares issued in the 12 months:

(1) under an exception in Listing Rule 7.2 (other than exception 9, 16 or 17);

- (2) on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the 12 month period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or 7.4;
 - (3) under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - the agreement was entered into before the 12 month period; or
 - the agreement or issue was approved, or taken under the Listing Rules to be approved, under Listing Rule 7.1 or 7.4; and
 - (4) with Shareholder approval under Listing Rule 7.1 or 7.4. This does not include any issue of Shares under the Company's 15% annual placement capacity without Shareholder approval;
- (B) plus the number of partly paid shares that became fully paid in the 12 months; and
 - (C) less the number of fully paid Shares cancelled in the 12 months.

Note that 'A' has the same meaning in Listing Rule 7.1 when calculating the Company's 15% annual placement capacity.

D is 10%.

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

(d) **What is the interaction with Listing Rule 7.1?**

The Company's ability to issue Equity Securities under Listing Rule 7.1A will be in addition to its 15% annual placement capacity under Listing Rule 7.1.

(e) **At what price can the Equity Securities be issued?**

Any Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per security which is not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued,

(Minimum Issue Price).

(f) When can Equity Securities be issued?

Shareholder approval of the Additional Placement Facility under Listing Rule 7.1A will be valid from the date of Meeting and will expire on the earlier to occur of:

- (i) the date that is 12 months after the date of the Meeting;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

(g) What is the effect of Resolution 3?

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

5.3 Specific information required by Listing Rule 7.3A

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

(a) Final date for issue

The Company will only issue the Equity Securities under the Additional Placement Facility during the 10% Placement Period (refer to Section 5.2(f) above).

Shareholder approval of the Additional Placement Facility will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 or 11.2.

(b) Minimum issue price

Where the Company issues Equity Securities under the Additional Placement Facility, it will only do so for cash consideration and the issue price will be not less than the Minimum Issue Price (refer to Section 5.2(e) above).

(c) **Risk of economic and voting dilution**

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the Additional Placement Facility, the existing Shareholders' economic and voting power in the Company may be diluted as shown in the below table (in the case of Options, only if the Options are converted into Shares).

The below table shows the potential dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 (see Section 6.2(c)) as at the date of the Notice (**Variable A**), with:

- (i) two examples where Variable A has increased, by 50% and 100%; and
- (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Variable A in Listing Rule 7.1A		Nominal issue price		
		\$0.175 (50% decrease in market price)	\$0.35 (market price)	\$0.70 (100% increase in market price)
Current issued capital A = 169,111,261 Shares	Shares issued under LR 7.1A	16,911,126	16,911,126	16,911,126
	Voting dilution	10%	10%	10%
	Funds raised	\$2,959,447	\$5,918,894	\$11,837,788
50% increase in issued capital A = 253,666,892 Shares	Shares issued under LR 7.1A	25,366,689	25,366,689	25,366,689
	Voting dilution	10%	10%	10%
	Funds raised	\$4,439,171	\$8,878,341	\$17,756,682
100% increase in issued capital A = 338,222,522 Shares	Shares issued under LR 7.1A	33,822,252	33,822,252	33,822,252
	Voting dilution	10%	10%	10%
	Funds raised	\$5,918,894	\$11,837,788	\$23,675,577

Notes:

1. The table has been prepared on the following assumptions:
 - (i) The issue price is the current market price (\$0.35), being the closing price of the Shares on ASX on 22 October 2021, being the latest practicable date before this Notice was signed.
 - (ii) Variable A is 169,111,261 comprising the number of Shares currently on issue. This assumes that the Company has not issued any Shares in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 and 7.4.
 - (iii) The Company issues the maximum number of Equity Securities available under the Additional Placement Facility.
 - (iv) No convertible securities are exercised or converted into Shares before the date of the issue of the Equity Securities.
 - (v) The issue of Equity Securities under the Additional Placement Facility consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
2. The number of Shares on issue (ie Variable A) may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue, scrip issued under a takeover offer or upon exercise of convertible securities) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.
3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional Placement Facility, based on that Shareholder's holding at the date of the Meeting.
5. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

(d) **Purposes of issues under Additional Placement Capacity**

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

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.3 upon issue of any Equity Securities.

(e) **Allocation policy**

The Company's allocation policy for the issue of Equity Securities under the Additional Placement Facility will depend on the prevailing market conditions at the time of the proposed issue. The identity of the allottees

will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

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

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

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

(f) **Issues in the past 12 months**

The Company previously obtained Shareholder approval under Listing Rule 7.1A at its 2020 annual general meeting held on 27 November 2020.

In the 12 months preceding the date of the 2021 Annual General Meeting and as at the date of this Notice, the Company has not issued or agreed to issue any Equity Securities under Listing Rule 7.1A.

(g) **Voting exclusion statement**

At the date of the Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A and has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in any such issue.

However, in the event that between the date of the Notice and the date of the Meeting, the Company proposes to make an issue of Equity Securities under Listing Rule 7.1A to one or more existing Shareholders, those Shareholders' votes will be excluded under the voting exclusion statement in the Notice.

5.4 Directors' recommendation

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders eligible to vote.

The Board unanimously recommends that Shareholders vote in favour of Resolution 3 as it will provide the Company with the flexibility to raise additional capital.

6. RESOLUTION 4 – APPROVAL TO INCREASE NON-EXECUTIVE DIRECTORS' REMUNERATION

6.1 General

Listing Rule 10.17 provides that an entity must not increase the total aggregate amount of directors' fees payable to all of its non-executive directors without the approval of holders of its ordinary securities.

Article 7.8(a) of the Constitution also requires that remuneration payable to the non-executive Directors will not exceed the sum determined by the Company in general meeting from time to time, and the total aggregate fixed sum will be divided between the non-executive Directors as the Directors shall determine and, in default of agreement between them, then in equal shares.

The maximum aggregate amount of fees payable to all of the non-executive Directors is currently set at \$200,000. This level was set by the Company prior to the Company's re-compliance listing on ASX in 2019 and has not been increased. Resolution 4 seeks the approval of Shareholders to increase the total aggregate fixed sum per annum to be paid to the non-executive Directors to \$500,000 under and for the purposes of Listing Rule 10.17 and Article 7.8(a) of the Constitution.

6.2 Rationale for the increase

The maximum aggregate amount of fees proposed to be paid to the non-executive Directors per annum has been determined after reviewing similar companies listed on ASX and the Directors believe that this level of remuneration is in line with corporate remuneration of similar companies.

This proposed level of permitted fees does not mean that the Company must pay the entire amount approved as fees in each year, rather the proposed limit is requested to ensure that the Company:

- (a) maintains its capacity to remunerate both existing and any new non-executive Directors joining the Board;
- (b) remunerates its non-executive Directors appropriately for the expectations placed upon them both by the Company and the regulatory environment in which it operates; and
- (c) has the ability to attract and retain non-executive Directors whose skills and qualifications are appropriate for a company of the size and nature of the Company.

6.3 Specific information required by Listing Rule 10.17

Under and for the purposes of Listing Rule 10.17, the following information is provided in relation to the proposed increase in the aggregate amount payable to non-executive Directors:

- (a) the Company is proposing to increase the total aggregate fixed sum per annum to be paid to the non-executive Directors by \$300,000;
- (b) the maximum aggregate amount per annum to be paid to all non-executive Directors is \$500,000, and includes superannuation contributions made by the Company for the benefit of non-executive Directors and any fees which a non-executive Director agrees to sacrifice

for other benefits. It does not include reimbursement of genuine out of pocket expenses, genuine 'special exertion' fees paid in accordance with the Constitution, or securities issued to a non-executive Director under Listing Rules 10.11 or 10.14 with approval of Shareholders;

- (c) in the past three years, the Company has issued Equity Securities to non-executive Directors, or their nominees, under and for the purposes of Listing Rules 10.11 and 10.14 as follows:

Non-Executive Director	Shareholder approval	Equity Securities	Date of issue
Mr Stuart Carmichael	Listing Rule 10.11: Issue of director options	370,000 Options ¹	30 September 2019
	Listing Rule 10.14: Participation in Plan	1,500,000 Performance Rights ²	22 December 2020
Mr Anthony McIntosh	Listing Rule 10.11: Participation in placement	600,000 Shares	22 December 2020
	Listing Rule 10.14: Participation in Plan	1,500,000 Performance Rights ²	22 December 2020
Mr Syed Basar Shueb	Listing Rule 10.11: Issue of director options	180,000 Options ¹	30 September 2019
	Listing Rule 10.14: Participation in Plan	1,500,000 Performance Rights ²	22 December 2020
Mr Mark Twycross	Listing Rule 10.11: Participation in placement	40,000 Shares	22 December 2020
	Listing Rule 10.14: Participation in Plan	1,500,000 Performance Rights ²	22 December 2020
Mr Colm O'Brien (resigned 23 June 2020)	Listing Rule 10.11: Issue of director options	295,000 Options ¹	30 September 2019
Mr Michael Edwards (resigned 30 September 2019)	Listing Rule 10.11: Issue of director options	115,351 Options ¹	30 September 2019
Mr Kieran Purcell (resigned 20 February 2020)	Listing Rule 10.11: Issue of director options	180,000 Options ¹	30 September 2019

Notes:

1. Unquoted Options exercisable at \$0.30 each on or before 30 September 2023.
2. Performance Rights subject to vesting conditions set out in the Company's notice of annual general meeting released to the market on 29 October 2020.

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

7. RESOLUTION 5 - APPROVAL OF CHANGE OF AUDITOR

7.1 General

On 6 July 2021, BDO's Adelaide office integrated with east coast offices, in Brisbane, Sydney and Melbourne. As a consequence, BDO Audit (SA) Pty Ltd has sought consent from the Company to change its auditors to BDO Audit Pty Ltd, a different audit entity within the national BDO structure.

BDO Audit (SA) Pty Ltd has applied under section 329(5) of the Corporations Act for ASIC's consent to resign as auditor of the Company. As of the date of this Notice, ASIC consent for the resignation has not been received. Accordingly, this Resolution, which contemplates the appointment of a new auditor, is subject to ASIC consent being obtained before the date of this Meeting.

In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a Shareholder for BDO Audit Pty Ltd to be appointed as the Company's auditor. A copy of this nomination is attached to this Explanatory Statement at Annexure A.

BDO Audit Pty Ltd has given its written consent to act as the Company's auditor, subject to Shareholder approval and the resignation of BDO Audit (SA) Pty Ltd taking effect.

7.2 Additional Information

Resolution 5 is an ordinary resolution.

7.3 Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 5.

8. RESOLUTION 6 - RENEWED APPROVAL OF EMPLOYEE SECURITIES INCENTIVE PLAN

8.1 General

The Company considers that it is desirable to maintain an employee incentive scheme pursuant to which the Company can issue Equity Securities to attract, motivate and retain key Directors, employees and consultants and provide them with the opportunity to participate in the future growth of the Company.

Resolution 6 seeks Shareholders' renewed approval for the adoption of the employee incentive scheme titled "K-TIG Limited Employee Securities Incentive Plan" (**Plan**) in accordance with Listing Rule 7.2 exception 13(b).

Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Equity Securities in the Company as the Board may

decide and on the terms set out in the rules of the Plan, a summary of the key terms and conditions of which is in Schedule 1. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

The Company previously sought and obtained Shareholder approval of the Plan at the general meeting held on 15 August 2019.

8.2 Listing Rules 7.1 and 7.2, exception 13(b)

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

Listing Rule 7.2, exception 13(b), provides an exception to Listing Rule 7.1 such that issues of Equity Securities under an employee incentive scheme are exempt for a period of three years from the date on which Shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

Listing Rule 7.2, exception 13(b), ceases to be available to the Company if there is a material change to the terms of the Plan from those set out in this Notice in Schedule 1.

If Resolution 6 is passed, the Company will be able to issue Equity Securities under the Plan to eligible participants over a period of three years up to a nominated maximum amount without using the Company's 15% annual placement capacity under Listing Rule 7.1.

If Resolution 6 is not passed, the Company may continue to issue Equity Securities under the Plan until it expires on 15 August 2022 in reliance on exception 13 of Listing Rule 7.2. In the event that the Plan is not renewed or a new employee securities incentive plan is not adopted after this expiry date, then the Company will not be able to issue Equity Securities under the Plan to eligible participants without using the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining Shareholder approval over the 12 month period following any such issue.

However, any future issues of Equity Securities under the Plan to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained, will require additional Shareholder approval under Listing Rule 10.14 at the relevant time.

8.3 Specific information required by Listing Rule 7.2, exception 13(b)

Under and for the purposes of Listing Rule 7.2, exception 13(b), the following information is provided in relation to the Plan:

- (a) the material terms of the Plan are summarised in Schedule 1;
- (b) since the Plan was last approved by Shareholders on 15 August 2019, the Company has issued the following Equity Securities under the terms of the Plan:

Issue date	Equity Security	Number of Equity Securities
21 February 2020	Unquoted Options	600,000 unquoted Options issued to employees (exercisable at \$0.30 each and expiring on 30 September 2023)
22 December 2020	Performance Rights	6,000,000 Performance Rights issued to Directors (as approved by Shareholders at the Company's annual general meeting held on 27 November 2020)
N/A	Shares	4,500,000 Shares to be issued to Mr Adrian Smith on the first, second and third anniversaries of the date of his employment agreement (as approved by Shareholders at the Company's annual general meeting held on 27 November 2020)

- (c) the maximum number of Equity Securities proposed to be issued under the Plan following approval of Resolution 8 shall not exceed 18,172,341 Equity Securities, which is equal to approximately 10% of the Company's Equity Securities currently on issue, subject to adjustment in the event of a reorganisation of capital and further subject to applicable laws and the Listing Rules; and
- (d) a voting exclusion statement is included in the Notice.

8.4 Additional information

Resolution 6 is an ordinary resolution.

The Board declines to make a recommendation in relation to Resolution 6 due to their personal interests in the outcome of the Resolution.

9. RESOLUTION 7 - APPROVAL OF POTENTIAL TERMINATION BENEFITS UNDER THE PLAN

9.1 General

The Corporations Act contains certain limitations concerning the payment of 'termination benefits' to persons who hold a 'managerial or executive office'. The Listing Rules also provides certain limitations on the payment of "termination benefits" to officers of listed entities.

As is common with employee incentive schemes, the Plan provides the Board with the discretion to, amongst other things, determine that some or all of the Equity Securities granted to a participant under the Plan (**Plan Securities**) will not lapse in

the event of that participant ceasing their engagement with the Company before such Plan Securities have vested. This 'accelerated vesting' of Plan Securities may constitute a 'termination benefit' prohibited under the Corporations Act, regardless of the value of such benefit, unless Shareholder approval is obtained. Accordingly, the Board has resolved to seek Shareholder approval for the granting of such termination benefits in accordance with Resolution 7.

Resolution 7 is conditional on the passing of Resolution 6. If Resolution 6 is not approved at the Meeting, Resolution 7 will not be put to the Meeting.

9.2 Part 2D.2 of the Corporations Act

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a 'managerial or executive office' (as defined in the Corporations Act) if an exemption applies or if the benefit is approved by shareholders in accordance with section 200E of the Corporations Act.

Subject to Shareholder approval of Resolution 6, Shareholder approval is sought for the purposes of Part 2D.2 of the Corporations Act to approve the giving of benefits under the Plan to a person by the Company in connection with that person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company (or subsidiary of the Company) on the terms and conditions in this Explanatory Statement.

As noted above, under the terms of the Plan and subject to the Listing Rules, the Board possesses the discretion to vary the terms or conditions of the Plan Securities. Notwithstanding the foregoing, without the consent of the participant in the Plan, no amendment may be made to the terms of any granted Plan Security which reduces the rights of the participant in respect of that Plan Security, other than an amendment introduced primarily to comply with legislation, to correct any manifest error or mistake or to take into consideration possible adverse tax implications.

As a result of the above discretion, the Board has the power to determine that some or all of a participant's Plan Securities will not lapse in the event of the participant ceasing employment or office before the vesting of their Plan Securities. The Board's current intention is to only exercise this discretion where the person leaves employment or office without fault on their part.

The exercise of this discretion by the Board may constitute a 'benefit' for the purposes of section 200B of the Corporations Act. The Company is therefore seeking Shareholder approval for the exercise of the Board's discretion in respect of any current or future participant in the Plan who holds:

- (a) a managerial or executive office in, or is an officer of, the Company (or subsidiary of the Company) at the time of their leaving or at any time in the three years prior to their leaving; and
- (b) Plan Securities at the time of their leaving.

9.3 Value of the termination benefits

Provided Shareholder approval is given, the value of the termination benefits may be disregarded when applying section 200F(2)(b) or section 200G(1)(c) of the Corporations Act (ie the approved benefit will not count towards the statutory cap under the legislation).

The value of the termination benefits that the Board may give under the Plan cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company's Share price at the time of vesting and the number of Plan Securities that will vest or otherwise be affected. The following additional factors may also affect the benefit's value:

- (a) the participant's length of service and the status of the vesting conditions attaching to the relevant Plan Securities at the time the participant's employment or office ceases; and
- (b) the number of unvested Plan Securities that the participant holds at the time they cease employment or office.

In accordance with Listing Rule 10.19, the Company will ensure that no officer of the Company or any of its child entities will, or may be, entitled to termination benefits if the value of those benefits and the terminations benefits that are or may be payable to all officers together exceed 5% of the equity interests of the Company as set out in the latest accounts given to ASX under the Listing Rules.

9.4 Board recommendation

Resolution 7 is an ordinary resolution.

The Board declines to make a recommendation in relation to Resolution 7 due to their potential personal interests in the outcome of the Resolution.

GLOSSARY

\$ means Australian dollars.

10% Placement Period has the meaning given in Section 5.2(f).

Additional Placement Facility has the meaning given to that term in Section 5.1 of this Explanatory Statement.

Annexure means an annexure to the Notice.

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

Annual Report means the annual report of the Company for the 2021 financial year, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2021.

ASIC means the Australian Securities and Investments Commission.

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

ASX means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Auditor's Report means the auditor's report on the Financial Report.

Board means the current board of directors of the Company.

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

Chair means the chairperson of the Meeting.

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

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth) – currently are none prescribed.

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

Company Secretary means the Company's Company Secretary.

Constitution means the Company's Constitution.

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

Director means a director of the Company.

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

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

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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.

Minimum Issue Price has the meaning given in Section 5.2(e).

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

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

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

Plan means the K-TIG Limited Employee Securities Incentive Plan.

Plan Securities has the meaning given in 9.1.

Proxy Form means the proxy form accompanying the Notice.

Relevant Person means:

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

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

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

Schedule means a schedule to the Notice.

Section means a section of this Explanatory Statement.

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

Shareholder means a holder of a Share.

Spill Meeting has the meaning given in Section 3.2.

Spill Resolution has the meaning given in Section 3.2.

Strike means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

VWAP means volume weighted average price.

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

Schedule 1 - Summary of Employee Securities Incentive Plan

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

1. **(Eligible Participant):** Eligible Participant means a person that:
 - (a) is an "eligible participant" (as that term is defined in ASIC Class Order [CO 14/1000]) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order [14/1000]); and
 - (b) has been determined by the Board to be eligible to participate in the Plan from time to time.
2. **(Purpose):** The purpose of the Plan is to:
 - (c) assist in the reward, retention and motivation of Eligible Participants;
 - (d) link the reward of Eligible Participants to Shareholder value creation; and
 - (e) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
3. **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.
4. **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides. On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.
5. **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
6. **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.
7. **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to

the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

8. **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation. An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

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

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

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

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

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
 - (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
11. **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the

Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

12. **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
13. **(Disposal restrictions on Plan Shares):** If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction. For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:
 - (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
 - (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
14. **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation. If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised. Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.
15. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
16. **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect. No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before.

Annexure A - Nomination of Auditor

14 October 2021

The Board of Directors
K-TIG Limited
Ground Floor, 16 Ord Street
West Perth WA 6005

I, Adrian Smith, being a member of K-TIG Limited (**Company**), nominate BDO Audit Pty Ltd in accordance with section 328B(1) of the *Corporations Act 2001* (Cth) (**Act**) for appointment as auditor of the Company at the Company's annual general meeting to be held on 26 November 2021.

Please distribute copies of this notice of this nomination as required by section 328B(3) of the Act.

Yours faithfully



Adrian Smith

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 **2.30pm (WST) on Wednesday 24 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 VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

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

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

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>.

Contact	Return your completed form		All enquiries to Automic
	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

STEP 1: Appoint Your Proxy	Complete and return this form as instructed only if you do not vote online I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of K-TIG Limited, to be held at 2.30pm (WST) on Friday 26 November 2021 at Ground Floor, 16 Ord Street West Perth, WA 6005 hereby:
	Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.
 Unless indicated otherwise by ticking the "for," "against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS
 Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 4, 6 and 7 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 4, 6 and 7 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

STEP 2: Your Voting Direction	Resolutions	For	Against	Abstain
	1. Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	2. Re-Election of Director – Mr Stuart Carmichael	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	3. Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	4. Approval to Increase Non-Executive Directors' Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	5. Approval of Change of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	6. Renewed Approval of Employee Securities Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	7. Approval of Potential Termination Benefits Under the Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.				

STEP 3: Sign Here + Contact Details	SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED		
	Individual or Securityholder 1	Securityholder 2	Securityholder 3
	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>
	Sole Director and Sole Company Secretary	Director	Director / Company Secretary
	Contact Name: <div style="border: 1px solid black; height: 20px; width: 100%;"></div>		
Email Address: <div style="border: 1px solid black; height: 20px; width: 100%;"></div>			
Contact Daytime Telephone <div style="border: 1px solid black; height: 20px; width: 100%;"></div>			
Date (DD/MM/YY) <div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="font-size: 10px;">/</div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="font-size: 10px;">/</div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> </div>			
By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).			

