



SCOUT SECURITY LIMITED
ACN 615 321 189
NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10am AWST

DATE: Thursday 20th January 2022

PLACE: Virtual format via Advanced Share Registry's online platform
www.advancedshare.com.au/virtual-meeting

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 10am AWST on 20 January 2022.

BUSINESS OF THE MEETING

AGENDA

1. 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.

2. 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.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – SOLOMON MAJTELES

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

"That, for the purpose of clause 14.2 of the Constitution, and for all other purposes, Solomon Majteles, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. RESOLUTION 3 – APPROVAL OF 7.1A MANDATE

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

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

5. RESOLUTION 4 – REPLACEMENT OF CONSTITUTION

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes."

6. RESOLUTION 5 – RATIFICATION OF AGREEMENT TO ISSUE SECURITIES UNDER CONVERTIBLE NOTE FACILITY – SUBSEQUENT INSTALMENT

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 462,500 Convertible Notes, 6,607,148 Shares to be issued on conversion of the Convertible Notes and 13,214,287 Subsequent Instalment Options on the terms and conditions set out in the Explanatory Statement."

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

7. RESOLUTION 6 – ISSUE OF SECURITIES TO RELATED PARTY – JARVISBROWN

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 12,500 Convertible Notes, Shares to be issued on conversion of the Convertible Notes and 357,143 Subsequent Instalment Options to Jarvisbrown Super Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement."

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

8. RESOLUTION 7 – ISSUE OF SECURITIES TO RELATED PARTY – EQUITABLE INVESTORS

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 25,000 Convertible Notes, Shares to be issued on conversion of the Convertible Notes and 714,286 Subsequent Instalment Options to Equitable Investors Pty Ltd ATF Equitable Investors Dragonfly Fund (or its nominee) on the terms and conditions set out in the Explanatory Statement."

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

9. RESOLUTION 8 – ADOPTION OF EMPLOYEE SECURITIES INCENTIVE PLAN

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

"That, for the purposes of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Employee Securities Incentive Plan and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement."

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

Dated: 16 December 2021

By order of the Board

A handwritten signature in black ink, appearing to read 'Stuart Usher', followed by a period.

**Stuart Usher
Company Secretary**

Voting Prohibition Statements

| | |
|--|---|
| Resolution 1 – Adoption of Remuneration Report | <p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:</p> <ul style="list-style-type: none"> (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or (b) a Closely Related Party of such a member. <p>However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none"> (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or (b) the voter is the Chair and the appointment of the Chair as proxy: <ul style="list-style-type: none"> (i) does not specify the way the proxy is to vote on this Resolution; and <p>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.</p> |
| Resolution 8 – Adoption of Employee Securities Incentive Plan | <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"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (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. |

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 – Ratification of Agreement to Issue Securities Under Convertible Note Facility | A person who participated in the issue or is a counterparty to the agreement being approved (namely Facility Recipients) or an associate of that person or those persons. |
| Resolution 6 – Issue of Securities to Related Party | Jarvisbrown Super Pty Ltd (or its nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons. |
| Resolution 7 – Issue of Securities to Related Party | Equitable Investors Pty Ltd ATF Equitable Investors Dragonfly Fund (or its nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons. |
| Resolution 8 – Employee Securities Incentive Plan | A person who is eligible to participate in the employee incentive scheme or an associate of that person or those persons. |

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 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 two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (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:

- 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.

Voting by poll

All resolutions at the Meeting will be voted on by poll and Shareholders who are entitled to vote may vote either prior to the Meeting by appointing a proxy or by poll during the Meeting (such a poll to be taken electronically).

Shareholders who wish to vote by poll during the Meeting will be able to submit their online poll votes immediately after the Chair calls for a vote on the Resolutions. Shareholders can do this by clicking the poll button on their screen. The outcome of each Resolution will not be determined until after the conclusion of the Meeting to allow the Company Secretary sufficient time to check poll votes.

You may still attend the Meeting via Advanced Share Registry's online platform if you have completed a Proxy Form but the person you have appointed as proxy will cast your vote on your behalf.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 499 900 044.

EXPLANATORY STATEMENT

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

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, 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.scoutalarm.com.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

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

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

2.2 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.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – SOLOMON MAJTELES

3.1 General

Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Majteles, who has served as a Director since 22 August 2017 and was last re-elected on 2 December 2019, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Mr Majteles is a commercial lawyer in private legal practice and has had over 40 years of wide-ranging experience in commercial and business transactions, corporate and board decision making and general commercial law and practice.

He has been a director of numerous private and ASX listed companies that have been engaged in a diverse range of technology, property and resource projects. His involvement over many years with companies in a diverse range of enterprises has provided him with the experience to provide sensible, commercially astute input at Board level, which is important to enable proper evaluation and assessment of investment opportunities and the associated risks.

During the last three years he has held ASX directorships in Metals Australia Ltd and Thred Limited.

3.3 Independence

If re-elected the Board considers Mr Majteles will be an independent Director.

3.4 Board recommendation

The Board has reviewed Mr Majteles' performance since his appointment to the Board and considers that Mr Majteles' skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Mr Majteles and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – APPROVAL OF 7.1A MANDATE

4.1 General

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.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$6,034,000 (based on the number of Shares on issue and the closing price of Shares being \$0.039 on the ASX on 26 November 2021).

Resolution 3 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement 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 under 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.

4.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 3:

(a) Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

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

(b) Minimum price

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that 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 entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 4.2(b)(i), the date on which the Equity Securities are issued.

(c) Use of funds raised under the 7.1A Mandate

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for the continued development of its current business, to expand the current business, investment in new business lines that augment the current business and general working capital. Though the company is not currently evaluating any specific merger or acquisition (**M&A**) opportunities, should an advantageous M&A opportunity arise, the Company reserves the right to use funds from 7.1A for the acquisition of new assets and to make investments (including expenses associated with such an acquisition).

(d) **Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue or proposed to be issued as at 26 November 2021.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

| | | Dilution | | | |
|--|-----------------------|--|-----------------|----------------|-----------------|
| Number of Shares on Issue (Variable A in Listing Rule 7.1A.2) | | Shares issued – 10% voting dilution | Issue Price | | |
| | | | \$0.020 | \$0.039 | \$0.059 |
| | | | 50% decrease | Issue Price | 50% increase |
| | | | Funds Raised | | |
| Current | 149,354,172 Shares | 14,935,417 Shares | \$298,708 | \$582,481 | \$881,189 |
| 50% increase | 224,031,258 Shares | 22,403,125 Shares | \$448,062 | \$873,721 | \$1,321,784 |
| 100% increase | 298,708,344 Shares | 29,870,834 Shares | \$597,416 | \$1,164,962 | \$1,762,379 |

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 149,354,172 Shares on issue and no further Shares are issued as a result of the passing of Resolutions to be considered at this Meeting.
2. The issue price set out above is the closing market price of the Shares on the ASX on 26 November 2021 being \$0.039.
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. 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.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.

8. 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%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

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

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 23 December 2021 (**Previous Approval**).

During the 12-month period preceding the date of the Meeting, being on and from 20th January 2021, the Company has not issued any Equity Securities pursuant to the Previous Approval.

4.3 Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

5. RESOLUTION 4 – REPLACEMENT OF CONSTITUTION

5.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of shareholders.

Resolution 4 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and Listing Rules.

This will incorporate amendments to the Corporations Act and Listing Rules since the current Constitution was adopted on 2 December 2019.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website www.scoutalarm.com/pages/resources and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 6141 3500). Shareholders are invited to contact the Company if they have any queries or concerns.

5.2 Summary of material proposed changes

Minimum Security holding (clause 3)

This Proposed Constitution now extends the minimum holding provisions to all securities as provided for under the Listing Rules. The clause previously only referred to shares.

Joint Holders (clause 9.8)

CHESS is currently being replaced by ASX with a projected go-live date of April 2023. As part of the CHESS replacement, the registration system will be modernised to record holder registration details in a structured format that will allow up to four joint holders of a security. Clause 9.8 of the Proposed Constitution provides that the number of registered joint holders of securities shall be as permitted under the Listing Rules and the ASX Settlement Operating Rules.

Capital Reductions (clause 10.2)

The Proposed Constitution now permits sales of unmarketable parcels to a sale nominee as part of a capital reduction.

Use of technology (clause 14)

The Proposed Constitution includes a new provision to permit the use of technology at general meetings (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.

6. **RESOLUTION 5 – RATIFICATION OF ISSUE AND AGREEMENT TO ISSUE SECURITIES UNDER CONVERTIBLE NOTE FACILITY – SUBSEQUENT INSTALMENT**

6.1 **General**

As announced on 16 July 2020, the Company entered into a Convertible Note Deed (the material terms of which are summarised in Schedule 1) with institutional and sophisticated investors who are clients of Gleneagle Securities (Aust) Pty Limited (**Gleneagle**) and existing shareholders of the Company (**Facility Participants**), to raise up to \$2,000,000 (**Convertible Note Facility**), through the issue of up to 2,000,000 convertible notes each with a face value of \$1.00, the terms of which are summarised in Schedule 2 (**Convertible Notes** or **Notes**).

750,000 Convertible Notes, with an aggregate face value of \$750,000, have been issued to date. The Company has now elected to drawdown a subsequent instalment of \$500,000 under the Convertible Note Facility (**Subsequent Instalment**), as follows:

- (a) by issuing 462,500 Convertible Notes and 13,214,287 Subsequent Instalment Options, of which:
 - (i) 412,500 Convertible Notes and 11,785,717 Subsequent Instalment Options were issued on 23 November 2021; and
 - (ii) a further 50,000 Convertible Notes and 1,428,570 Subsequent Instalment Options will be issued prior to the Meeting, once subscription funds are received from the relevant investor,

for which the Company is seeking ratification under Resolution 5 (the **Non-Related Subsequent Instalment Securities**); and

- (b) by issuing the following Securities to related parties of the Company:
 - (i) 12,500 Convertible Notes and 357,143 Subsequent Instalment Options to Jarvisbrown Super Pty Ltd (a company controlled by Anthony Brown), for which the Company is seeking Shareholder approval under Resolution 6; and
 - (ii) 25,000 Convertible Notes and 714,286 Subsequent Instalment Options to Equitable Investors Pty Ltd (a company controlled by Martin Pretty) ATF Equitable Investors Dragonfly Fund, for which the Company is seeking Shareholder approval under Resolution 7,

(together, the **Related Subsequent Instalment Securities**),

(together, the **Subsequent Instalment Securities**). The Subsequent Instalment Options are being issued to the Facility Participants as consideration for the Facility Participants' participation in the Subsequent Instalment under the Convertible Note Facility.

The Subsequent Instalment was conditional upon the Company:

- (a) having sufficient placement capacity for the issue and conversion of the Convertible Notes issued under the Subsequent Instalment, as well as the Subsequent Instalment Options;
- (b) no event of default occurring as a result of the Subsequent Instalment; and
- (c) the VWAP of the Company's Shares for the 30 trading days prior to the drawdown request and the date of issue of the Convertible Notes being greater than 80% of the conversion price.

The Company has now drawn down an aggregate of \$1,250,000 under the Convertible Note Facility, being the initial instalment of \$750,000 and one Subsequent Instalment of \$500,000. \$750,000 remains undrawn under the Convertible Note Facility.

6.2 ASX Listing Rule 7.1

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.

Under Listing Rule 7.1A, 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%.

The Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 3 being passed at this Meeting.

The issue of the Non-Related Subsequent Instalment Securities does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the date of issue of the Subsequent Instalment Securities.

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

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the agreement to issue the Non-Related Subsequent Instalment Securities.

Resolution 5 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the agreement to issue the Non-Related Subsequent Instalment Securities.

6.3 Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the Non-Related Subsequent Instalment Securities will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Non-Related Subsequent Instalment Securities.

If Resolution 5 is not passed, the Non-Related Subsequent Instalment Securities will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Non-Related Subsequent Instalment Securities.

It is noted that the Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 3 being passed at this Meeting.

6.4 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- (a) the Non-Related Subsequent Instalment Securities were issued to Facility Participants on 23 November 2021, being sophisticated and professional investors introduced to the Company by Gleneagle and existing Shareholders of the Company, other than 50,000 Convertible Notes and 1,428,570 Subsequent Instalment Options, which the Company has agreed to issue on receipt of \$50,000 from a Facility Participant that has yet to provide subscription funds to the Company, which will be issued following the date of this Notice and prior to the Meeting;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) the Company issued and agreed to issue the following Securities to the Facility Participants (excluding Facility Participants that are related parties of the Company, for whom Shareholder approval is being sought under Resolutions 6 and 7):
 - (i) 462,500 Convertible Notes, convertible into 6,607,148 Shares at \$0.07 per Share, provided that if the Company issues Shares at a lower price during the term of the Convertible Notes, the issue price will be reduced in the manner set out in paragraph (e) of Schedule 1 subject to a floor price of \$0.03 per Share; and
 - (ii) in consideration for their participation in the Subsequent Instalment, 13,214,287 Subsequent Instalment Options.
- (d) in respect of the Subsequent Instalment Securities:
 - (i) 412,500 Convertible Notes and 11,785,717 Subsequent Instalment Options were issued on 23 November 2021;
 - (ii) the Company has agreed to issue 50,000 Convertible Notes and 1,428,570 Subsequent Instalment Options upon receipt of \$50,000 in investment funds from a Facility Participant, which are expected to be issued prior to the Meeting and in any event no later than 3 months following the date of the Meeting,and Shares issued on conversion of the Convertible Notes and on exercise of the Subsequent Instalment Options will be issued progressively on conversion and exercise respectively, such Shares to be issued under the exception set out in ASX Listing Rule 7.2 Exception 9;
- (e) the issue price is \$1 per Convertible Note. The Company has not and will not receive any other consideration for the issue of the Subsequent Instalment Securities (other than funds received from Facility Participants on exercise of the Subsequent Instalment Options);
- (f) the purpose of the issue of the Non-Related Subsequent Instalment Securities is to raise \$462,500, which will be applied towards funding the Company's growth initiative, focusing on opportunities with the Company's white label partner program;

- (g) the Non-Related Subsequent Instalment Securities will be issued to the Facility Participants that are not related parties of the Company under the Convertible Note Facility; and
- (h) a summary of the material terms of the:
 - (i) Convertible Note Facility is set out in Schedule 1;
 - (ii) Convertible Notes is set out in Schedule 2
 - (iii) Subsequent Instalment Options is set out in Schedule 3.

7. RESOLUTIONS 6 AND 7 – ISSUE OF SECURITIES TO RELATED PARTIES – ANTHONY BROWN AND MARTIN PRETTY

7.1 General

As set out in Section 6.1, the Company is proposing, subject to obtaining Shareholder approval, to issue the Related Subsequent Instalment Securities to entities associated with Anthony Brown and Martin Pretty, being an aggregate of 37,500 Convertible Notes and 1,071,429 Subsequent Instalment Options on the terms and conditions set out below.

7.2 Chapter 2E of the Corporations Act

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

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

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

The issue of Director Securities to Mr Brown and Mr Pretty (or their nominees) constitutes the giving a financial benefit and Mr Brown and Mr Pretty are related parties of the Company by virtue of being Directors.

The Directors (other than Mr Brown and Mr Pretty who have a material personal interest in the Resolutions) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Related Subsequent Instalment Securities to entities associated with Messrs Brown and Pretty as they are being issued under the Convertible Note Facility on the same terms as the Non-Related Subsequent Instalment Securities. As such, the giving of the financial benefit is on arm's length terms, which is an exception under section 210 of the Corporations Act.

7.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director

to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;

- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Related Subsequent Instalment Securities falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 6 and 7 seek the required Shareholder approval for the issue of the Related Subsequent Instalment Securities under and for the purposes of Listing Rule 10.11.

7.4 Technical information required by Listing Rule 14.1A

If Resolutions 6 and 7 are passed, the Company will be able to proceed with the issue of the Related Subsequent Instalment Securities to entities associated with Messrs Brown and Pretty within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Related Subsequent Instalment Securities (because approval is being obtained under Listing Rule 10.11), the issue of the Related Subsequent Instalment Securities will not use up any of the Company's 15% annual placement capacity.

If Resolutions 6 and 7 are not passed, the Company will not be able to proceed with the issue of the Related Subsequent Instalment Securities.

7.5 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 6 and 7:

- (a) the Related Subsequent Instalment Securities will be issued to Jarvisbrown Super Pty Ltd (a company controlled by Anthony Brown) and Equitable Investors Pty Ltd (a company controlled by Martin Pretty) ATF Equitable Investors Dragonfly Fund;
- (b) Mr Brown and Mr Pretty (or their nominees), who fall within the category set out in Listing Rule 10.11.1 as Mr Brown and Mr Pretty are related parties of the Company by virtue of being Directors;
- (c) the maximum number of Related Subsequent Instalment Securities to be issued is 37,500 Convertible Notes (convertible into 535,715 Shares, subject to paragraph (e) below) and 1,071,429 Subsequent Instalment Options, being:
 - (i) 12,500 Convertible Notes (convertible into 178,572 Shares at \$0.07 per Share, subject to paragraph (e) below) and 357,143 Subsequent Instalment Options to Jarvisbrown Super Pty Ltd (a company controlled by Anthony Brown); and
 - (ii) 25,000 Convertible Notes (convertible into 357,143 Shares at \$0.07 per Share, subject to paragraph (e) below) and 714,286 Subsequent Instalment Options to Equitable Investors Pty Ltd (a company controlled by Martin Pretty) ATF Equitable Investors Dragonfly Fund;

- (d) all of the Convertible Notes and Subsequent Instalment Options making up the Related Subsequent Instalment Securities will be issued on a single date no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and the Shares issued on conversion of the Convertible Notes and on exercise of the Subsequent Instalment Options will occur progressively, such Shares to be issued under the exception set out in ASX Listing Rule 10.12 Exception 7;
- (e) the issue price of the Convertible Notes will be \$1.00 per Convertible Note and the issue price of Shares issued on conversion of each Convertible Note will be \$0.07 per Share, provided that if the Company issues Shares at a lower price during the term of the Convertible Notes, the issue price will be reduced in the manner set out in paragraph 1.1(e) of Schedule 1 subject to a floor price of \$0.03 per Share.
- (f) the Subsequent Instalment Options will be issued for nil cash consideration as consideration for the recipients' participation in the Subsequent Instalment. The Company will not receive any other consideration in respect of the issue of the Related Subsequent Instalment Securities (other than in respect of funds received on exercise of the Subsequent Instalment Options);
- (g) the issue of the Related Subsequent Instalment Securities is not being completed for the purpose of remunerating Messrs Brown and Pretty;
- (h) the purpose of the issue of the Related Subsequent Instalment Securities is as part of the Subsequent Instalment of the Company's Convertible Note Facility to raise capital to fund the Company's growth initiatives, focusing on opportunities within the Company's white label partner program;
- (i) the Related Subsequent Instalment Securities are being issued to associates of Messrs Brown and Pretty under the Convertible Note Facility; and
- (j) a summary of the material terms of the:
 - (i) Convertible Note Facility is set out in Schedule 1;
 - (ii) Convertible Notes is set out in Schedule 2
 - (iii) Subsequent Instalment Options is set out in Schedule 3.

8. RESOLUTION 8 – ADOPTION OF EMPLOYEE SECURITIES INCENTIVE PLAN

8.1 General

Resolution 8 seeks Shareholder approval for the adoption of the employee incentive scheme titled "Employee Securities Incentive Plan" (**Plan**) and for the issue of securities under the Incentive Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Plan is to attract, motivate and retain key employees and the Company considers that the adoption of the Plan and the future issue of securities under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

8.2 Listing Rule 7.1 and Listing Rule 7.2 Exception 13(b)

As summarised in Section 4.1 above, and subject to a number of exceptions set out in Listing Rule 7.2, 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 that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 8 is passed, the Company will be able to issue securities under the Plan to eligible participants over a period of 3 years from the date of the Meeting. The issue of any securities to eligible participants under the Plan (up to the maximum number of securities stated in Section 8.3(b) below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of securities under the Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained.

If Resolution 8 is not passed, the Company will be able to proceed with the issue of securities under the Plan to eligible participants, but any issues of securities will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of those securities.

8.3 Technical information required by Listing Rule 7.2 (Exception 13)

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 8:

- (a) a summary of the key terms and conditions of the Plan is set out in Schedule 4;
- (b) the Company has not issued any securities under the Plan as this is the first time that Shareholder approval is being sought for the adoption of the Incentive Plan; and
- (c) the maximum number of securities proposed to be issued under the Plan in reliance on Listing Rule 7.2 (Exception 13(b)), is 7,542,709 securities, which is consistent with the previous employee plan in place being 5% of the issued ordinary fully paid shares. It is not envisaged that the maximum number of securities for which approval is sought will be issued immediately.

GLOSSARY

\$ means Australian dollars.

7.1A Mandate has the meaning given in Section 4.1.

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.

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

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

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Scout Security Limited (ACN 615 321 189).

Constitution means the Company's constitution.

Convertible Note means a convertible note issued under the Convertible Note Facility on the terms and conditions set out in Schedule 2.

Convertible Note Facility means the convertible note facility summarised in Schedule 1.

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

Directors means the current directors of the Company.

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

Explanatory Statement means the explanatory statement accompanying the Notice.

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.

Market Value means the volume weighted average market price (as that term is defined in the Listing Rules) per Share during the previous five trading days.

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 30 June 2021.

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.

Subsequent Instalment has the meaning given in Section 6.1.

Subsequent Instalment Option means an Option to be issued under the Convertible Note Facility on the terms and conditions set out in Schedule 3.

Subsequent Instalment Securities, Non-Related Subsequent Instalment Securities and **Related Subsequent Instalment Securities** each have the meanings given in Section 6.1.

Variable A means "A" as set out in the formula in Listing Rule 7.1A.2.

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

SCHEDULE 1 – MATERIAL TERMS OF THE CONVERTIBLE NOTE FACILITY

A summary of the key terms of the Convertible Note Facility is set out below:

(a) **Term**

The term of the Convertible Note Facility is 2 years.

(b) **Conversion**

Each note issued under the Convertible Note Facility (**Note**) may be converted into one fully paid ordinary share in the capital of the Company at the Conversion Price (below).

(c) **Maturity Date**

The maturity date of the Notes is the date that is 24 months from the date the Convertible Note Facility is signed by all the parties (**Effective Date**);

(d) **Face Value**

The face value of a Note is \$1.00.

(e) **Conversion Price**

The conversion price of the Note will be the lower of:

- (i) \$0.07; and
- (ii) a 20% discount to any future equity issuance by the Company, provided that the Conversion Price will be no less than the floor price of \$0.03.

(f) **Variation to Conversion Price**

In the event the Company undertakes a bonus issue, rights issue or capital reorganization (including consolidation, subdivision, reduction or return), the Conversion Price (including the floor price) will be varied to the extent applicable and subject to the ASX Listing Rules to place investors in substantially the same position as they would have been had no such event occurred.

(g) **Conversion Right**

If an investor elects to convert all or part of a Note into Shares at any time up to and including the Maturity Date then, it may do so by giving a written notice to the Company specifying the number of Notes (or part thereof) the investor intends to convert, the aggregate principal amount of those Notes (which must be a minimum of \$50,000 or any higher integral multiple of \$25,000) (**Specified Principal Amount**) and the applicable Conversion Price.

The number of Shares to be issued on conversion is calculated in accordance with the following formula:

$$\text{Number of Shares} = \frac{\text{Specified Principal Amount}}{\text{Conversion Price}}$$

(h) **Initial Instalment**

- (i) The Company drew \$750,000 in an Initial Instalment at completion, in connection with which investors were issued a total of 8,035,715 Options (**T1 Investor Options**) (proportionate to their investment in the Initial Instalment)

- (ii) The Investors will have the right to convert the Initial Instalment at any time.

(i) **Subsequent Instalments**

- (i) The Company may draw, but is under no obligation to draw, Subsequent Instalments totalling \$1.25 million (of which \$500,000 will be drawn on 19 November 2021).
- (ii) Until such time as the Company elects to draw a Subsequent Instalment, the Company will be under no obligation to issue any securities beyond those issued to investors under the Initial Instalment and will not be penalized in any way should it elect not to draw any Subsequent Instalment.
- (iii) It is a condition precedent to the Company electing to draw a Subsequent Instalment that it has sufficient placement capacity at the time the drawing is made to issue the Subsequent Instalment, including all shares and options to be issued in connection with the Subsequent Instalment.
- (iv) Subsequent Instalments may be drawn monthly on 21 days' notice in instalments of either \$250,000 or \$500,000, subject to the Company's share price being greater than 80% of the conversion price (determined based on the conversion price as at the date of the drawdown request and the proposed issue date of the Note, respectively).
- (v) In consideration for participation a Subsequent Instalment, Investors will be issued a number of Options proportionate to their investment, calculated on the basis that 2 Options will be issued for the equivalent of 1 converted share, with the potential of issuing a total of 35,714,286 Options (**T2 Investor Options**). The number of T2 Investor Options is calculated as follows:

$$A = \frac{B}{C} \times D$$

where:

A is the number of T2 Investor Options to be issued;

B is the principal amount of the Subsequent Instalment;

C is the \$1,250,000; and

D is the total number of T2 Investor Options, being 35,714,286 Options.

- (vi) The Company may elect to redeem any Subsequent Instalments ahead of any conversion rights.

(j) **Interest**

Interest of 5% p.a. is payable on drawn funds, accruing daily and payable quarterly.

(k) **Redemption**

If, during the period of 23 months from the Effective Date (**Redemption Period**), the Company wishes to redeem all or part of the Notes, it may do so by giving not less than 30 days' notice in writing (Redemption Notice) to all of the Investors specifying the aggregate principal amount of the Notes that the Company intends to redeem and the number of Notes (or part thereof) of each Investor that the Company intends to redeem, provided that the Notes must be redeemed proportionately.

(l) **Security**

The Convertible Note Facility is unsecured.

(m) **Default**

In the event of a default that is unremedied for a period of 3 business days, if a number of investors holding collectively more than 50% of the total outstanding aggregate amount of all Notes so agree, the investors may declare at any time by notice to the Company that:

- (i) the entire outstanding aggregate amount of all Notes, together with accrued interest, and all other amounts accrued or outstanding under the Convertible Note Facility or the Notes, is either:
 - (A) payable on demand; or
 - (B) immediately due for payment and payable,and the Company is required to redeem all the Notes;
- (ii) the investors' obligations specified in the notice are terminated; and/or
- (iii) the investors may exercise any or all of their rights, remedies, powers or discretion under the Convertible Note Facility.

(n) **Events of Default**

- (i) **(ASX)**: the ASX makes a determination that the terms of the Notes, the Facility Options, the T1 Investor Options or the T2 Investor Options do not comply with the Listing Rules, including, for the avoidance of doubt, Listing Rule 6.1;
- (ii) **(shareholder approval)**: the Company fails to obtain (or maintain) any shareholder, regulatory or other approvals necessary for any transaction contemplated by the Convertible Note Facility;
- (iii) **(failure to issue Shares)**: the Company has not issued Shares to an Investor within 5 Business Days of receipt of a Conversion Notice (except where a redemption notice is issued);
- (iv) **(failure to issue Options)**: the Company fails to issue Options to an Investor in accordance with the terms of clause 4.6;
- (v) **(payment)**: the Company fails to pay any amount due under this Convertible Note Facility on when due;
- (vi) **(performance default)**: failure by the Company to perform any other material obligation, covenant or undertaking under the Convertible Note Facility, excluding payment default, and, in relation to any rectifiable failure, within 14 days following notice by any Investor requiring rectification;
- (vii) **(Company warranties)**: the Company is breach of any of the Company warranties;
- (viii) **(compliance)**: the Company fails to comply with any Listing Rule which results in a Material Adverse Change;
- (ix) **(Subsidiaries)**: an entity that is a subsidiary of the Company at the date of the Convertible Note Facility ceases to be a subsidiary of the Company;
- (x) **(merger)**: the Company consolidates with, merges or amalgamates into or transfers all or substantially all of its assets to any person;

- (xi) **(insolvency)**: an Insolvency Event occurs in relation to the Company or a subsidiary of the Company;
- (xii) **(cross default)**: any indebtedness of the Company or any of its subsidiaries is not paid when due (or within any applicable grace period) or is or becomes due and payable prior to its stated maturity date for any reason;
- (xiii) **(attachment)**: a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Company or any of its subsidiaries;
- (xiv) **(enforcement)**: a mortgagee, chargee or other encumbrancer takes possession of, exercises rights under any security in relation to, or a receiver, receiver and manager, administrator, liquidator, provisional liquidator or officer of the Court is appointed in relation to, the whole or any substantial part of the property, assets or revenues of the Company or any of its subsidiaries (as the case may be);
- (xv) **(Authorisations)**: any authorisation, approval or consent (including any governmental, regulatory or corporate approval or consent) required for the issue, redemption or conversion of the Notes (Authorisation) is not obtained or is suspended, terminated, revoked, withdrawn or expires, modified, restricted or otherwise fails to remain in full force and effect (in whole or in part) in any way unacceptable to the Investors;
- (xvi) **(winding up)**: an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Company or any of its subsidiaries, or the Company or any of its Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations;
- (xvii) **(unlawful)**: it is or becomes unlawful for:
 - (A) the Company to perform or comply with any one or more of its obligations under any of the Notes or the Convertible Note Facility;
 - (B) the investors as a whole to convert any Notes or hold any Shares, other than because of the operation of clause 10.3(d); or
 - (C) the Company or any of its subsidiaries to carry on all or substantially all of its business or operations;
- (xviii) **(disposal)**: the Company or any of subsidiaries transfers or otherwise disposes of all or substantially all of its business or assets to any person;
- (xix) **(expropriation)**: any Governmental agency takes any other action which:
 - (A) prevents the Company or any of its subsidiaries or their respective management from conducting all or a substantial part of its business or operations; or
 - (B) deprives the Company or any of its subsidiaries of the use of any material asset;
- (xx) **(audit)**: a material qualification (excluding a qualification that is substantially similar to qualifications included in the Company's financial statements as at 30 June 2019 or 31 December 2019) is made by any auditor appointed by the Company or any of its subsidiaries to audit its financial statements;
- (xxi) **(non-Listing)**: Shares cease to be listed on the ASX or are suspended from trading for more than 30 consecutive Trading Days; or

- (xxii) **(Material Adverse Change):** a Material Adverse Change occurs or is reasonably likely to occur in relation to the Company or any of its subsidiaries, provided that if an Investor considers that a Material Adverse Change is reasonably likely to occur, the Company will have a period of 10 Trading Days to either remedy the circumstances that may result in a Material Adverse Change or satisfy the Investor (acting reasonably) that a Material Adverse Change is not likely to occur.

The Convertible Note Facility also contains such other terms as are considered standard for an agreement of this nature (including representations and warranties, indemnities, and confidentiality provisions).

SCHEDULE 2 – TERMS AND CONDITIONS OF CONVERTIBLE NOTES

The material terms of the Notes are set out below:

- (a) **(Face Value)**: each Note will have a face value of \$1.00.
- (b) **(Maturity Date)**: The maturity date of the Notes is the date that is 24 months from the date the Convertible Note Facility is signed by all the parties (Effective Date).
- (c) **(Interest)**: 5% per annum, payable on drawn funds, accruing daily and payable quarterly.
- (d) **(Conversion)**: Each Note issued under the Convertible Note Facility may be converted into one fully paid ordinary share in the capital of the Company at the Conversion Price.
- (e) **(Conversion Price)**: The conversion price of the Note will be the lower of:
 - (i) \$0.07; and
 - (ii) a 20% discount to any future equity issuance by the Company, provided that the Conversion Price will be no less than the floor price of \$0.03,
- (f) **(Variation to Conversion Price)**: In the event the Company undertakes a bonus issue, rights issue or capital reorganization (including consolidation, subdivision, reduction or return), the Conversion Price (including the floor price) will be varied to the extent applicable and subject to the ASX Listing Rules to place investors in substantially the same position as they would have been had no such event occurred.
- (g) **(Conversion Right)**: If an investor elects to convert all or part of a Note into Shares at any time up to and including the Maturity Date then, it may do so by giving a written notice to the Company specifying the number of Notes (or part thereof) the investor intends to convert, the aggregate principal amount of those Notes (which must be a minimum of \$50,000 or any higher integral multiple of \$25,000) and the applicable Conversion Price.
- (h) **(Redemption)**: If, during the period of 23 months from the Effective Date (Redemption Period), the Company wishes to redeem all or part of the Notes, it may do so by giving not less than 30 days' notice in writing (Redemption Notice) to all of the Investors specifying the aggregate principal amount of the Notes that the Company intends to redeem and the number of Notes (or part thereof) of each Investor that the Company intends to redeem, provided that the Notes must be redeemed proportionately.

SCHEDULE 3 – TERMS AND CONDITIONS OF SUBSEQUENT INSTALMENT OPTIONS

- (a) Subject to section (g), each Option entitles the holder to one fully paid ordinary share (**Share**) in the capital of the Company.
- (b) Each Option will expire at 5:00 pm (AEST) on 16 July 2024 (**Expiry Date**).
- (c) Subject to section (h), the exercise price of the Options is \$0.07 per Option (**Exercise Price**).
- (d) To exercise the Options, the Option holder must duly complete, execute and deliver to the Company an exercise notice in the form attached as Exhibit A (**Notice of Exercise**). Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Secretary of the Company to be received prior to the Expiry Date. The Notice of Exercise must, among other things, state the number of Options exercised and the consequent number of Shares to be issued. The Notice of Exercise by an Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the Exercise Price per Option.
- (e) All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then issued Shares.
- (f) There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to shareholders during the term of the Options. The Option holder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised other than in relation to a Bonus Issue (defined below).
- (g) If there is a bonus issue (**Bonus Issue**) to the Company's shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
- (h) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the Option holder will be reconstructed (as appropriate) in accordance with the Listing Rules.
- (i) The Options are transferable, subject at all times to the Company's constitution, any transfer or escrow restrictions imposed by ASX or under applicable Australian securities laws, including the Corporations Act 2001 (Cth).
- (j) The Company will:
 - (i) apply for official quotation on ASX of the Shares issued on the conversion of an Option in accordance with Listing Rule 2.8;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, it must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (iii) procure the issue and delivery of a holding statement to the Investor as soon as practicable following the issue of the Shares issued on the conversion of the Options.
- (k) Some or all of the Options may be exercised at any one time before the Expiry Date.

SCHEDULE 4 – TERMS AND CONDITIONS OF EMPLOYEE SECURITIES INCENTIVE PLAN

The material terms and conditions of the Employee Securities Incentive Plan (**Plan**) are as follows:

| | |
|---|--|
| Eligibility | <p>Participants in the Plan may be:</p> <p>(a) any non-employee director or any full or part-time employee of the Company and its related bodies corporate (the Group); or</p> <p>(b) any other person providing services to the Group,</p> <p>who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Options, Performance Rights and Shares (Awards) under the Plan (Eligible Participant).</p> |
| Offer | <p>The Company may, at the sole and absolute discretion of the Board, offer and issue to an Eligible Participant any (or any combination) of the different types of Awards provided under the Plan.</p> <p>The terms and conditions of Awards offered or granted under the Plan to each Eligible Participant will be determined by the Board in its sole and absolute discretion.</p> |
| Convertible Security | <p>Each Option and/or Performance Right (Convertible Security) represents a right to acquire one or more Shares, 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 unless otherwise determined by the Board. 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.</p> |
| Vesting of a Convertible Security | <p>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 by the due date and/or otherwise waived by the Board, that Convertible Security will lapse.</p> |
| Exercise of Convertible Securities and cashless exercise | <p>To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Options (see below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.</p> <p>The Board may determine in its sole and absolute discretion that a Participant will not be required to provide payment of the exercise price of Options, but that on exercise of the Options, the Company will only allot and issue or transfer that number of Plan Shares to the Participant that are equal in value to the difference between the exercise price otherwise payable in relation to the Options and the then Market Value of the Plan Shares as at the time of the exercise (with the number of Plan Shares rounded down).</p> <p>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.</p> |

| | |
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| Shares | <p>The Board may from time to time make an invitation to an Eligible Participant to acquire Shares under the Plan. The Board will determine in its sole and absolute discretion the acquisition price (if any) for each Share which may be nil. The Shares may be subject to performance hurdles and/or vesting conditions as determined by the Board.</p> <p>Where Shares granted to a Participant are subject to performance hurdles and/or vesting conditions, the Participant's Shares will be subject to certain restrictions until the applicable performance hurdles and/or vesting conditions (if any) have been satisfied, waived by the Board or are deemed to have been satisfied under these Rules.</p> <p>When the Company makes an invitation to an Eligible Participant to acquire Shares, the Company may also offer the Eligible Participant a loan on terms and conditions to be determined by the Board, for the amount of the acquisition price of the Shares, for the purposes of acquiring all or part of the Shares the subject of the invitation. The loan amount may accrue interest as determined by the Board.</p> <p>A Participant may repay all or part of a loan at any time before the expiration of the loan term, and at the expiration of the loan term the Participant must immediately repay all of the loan.</p> |
| Forfeiture | <p>In respect of each offer of Awards, the Board may determine, criteria, requirements or conditions which if met (notwithstanding the satisfaction or waiver of any performance hurdles and vesting conditions) will result in the lapsing of Convertible Securities or a Participant surrendering Shares (Forfeiture Conditions).</p> <p>Where such Forfeiture Conditions are met, unless the Board in its sole discretion determines otherwise, all unvested and vested Convertible Securities will automatically lapse and all unvested and vested Shares will automatically be surrendered.</p> <p>In addition, where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breaches his or her duties to the Group, the Board may in its discretion deem all Awards to be forfeited.</p> |
| Rights attaching to Shares | <p>Any Shares allotted, issued or transferred by the Company to a Participant under the Plan (including on exercise or conversion of Convertible Securities) will rank equally with all existing Shares on and from the date of allotment, issue or transfer, including in respect of all rights and bonus issues.</p> |
| Disposal Restrictions | <p>If the invitation provides that any Shares held by any Participants 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.</p> <p>For so long as Shares held by any Participants are subject to any disposal restrictions under the Plan, the Participant must not transfer, encumber or otherwise dispose of, or have a security interest granted over that Share or take any action if to do so would contravene applicable laws.</p> |
| Buy-Back | <p>Subject to applicable law, the Company may at any time buy-back Awards in accordance with the terms of the Plan.</p> |
| Change of Control | <p>If a change of control event occurs in relation to the Company, and unless the Board determines otherwise in its sole and absolute discretion, Awards granted will vest where vesting conditions and performance hurdles have been satisfied on a pro rata basis based on the period which has elapsed from the grant date to the date of the change of control event.</p> |

| | |
|-----------------------------|--|
| Employee Share Trust | The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Awards for Participants under the Plan and delivering Shares on behalf of Participants upon exercise of Options and/or Performance Rights (as the case may be). |
| Participation Rights | During the currency of any Convertible Securities and prior to their vesting, Participants are not entitled to participate in any new issue of Securities of the Company as a result of their holding Convertible Securities. |
| Reorganisation | <p>Subject to all applicable laws, following any variation to the issued capital of the Company arising from:</p> <ul style="list-style-type: none"> (a) a reduction, subdivision or consolidation of the issued capital of the Company; (b) a reorganisation of the issued capital of the Company; (c) a distribution of assets in specie; (d) the payment of a dividend, otherwise than in the ordinary course, of an amount substantially in excess of the Company's normal distribution policy; or (e) any issue of Shares or other equity securities or instruments which convert into Shares by way of capitalisation of profits or reserves, <p>the number of Awards to which each Participant holds under the Plan, and the exercise price of Options (if any) held by each Participant, will be adjusted in accordance with the Listing Rules.</p> |
| Amendment of Plan | <p>Subject to the following paragraph, the Listing Rules and the Company's constitution, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Awards that have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.</p> <p>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 the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by the relevant Participant.</p> |

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LODGE YOUR PROXY APPOINTMENT ONLINE



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

Important Note: Due to the ongoing COVID-19 pandemic and uncertainty regarding the level of travel restrictions around the time of the meeting, the Company has determined that Shareholders will only be able to attend and participate in the meeting through an online platform provided by Advanced Share Registry.

ANNUAL GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Scout Security Limited and entitled to attend and vote hereby:

APPOINT A PROXY

☐ The Chair of the Meeting

OR

☐



PLEASE NOTE: If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held **virtually on 20 January 2022 at 10.00am (WST)** and at any adjournment or postponement of that Meeting.

Chair's voting intentions in relation to undirected proxies: The Chair intends to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances, the Chair may change his/her voting intentions on any Resolution. In the event this occurs, an ASX announcement will be made immediately disclosing the reasons for the change.

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 & 8 (except where I/we have indicated a different voting intention below) even though these resolutions are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair.

VOTING DIRECTIONS

| Resolutions | For | Against | Abstain* |
|---|--------------------------|--------------------------|--------------------------|
| 1 Approval of Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 Re-election of Director – Solomon Majteles | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Approval of 7.1A Mandate | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 Replacement of Constitution | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 Ratification of agreement to issue Securities under Convertible Note Facility – Subsequent Instalment | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 Issue of securities to related party – Jarvisbrown | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7 Issue of securities to related party – Equitable Investors | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8 Adoption of Employee Securities Incentive Plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |



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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address



Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.

SCOUT SECURITY LIMITED - ANNUAL GENERAL MEETING

Due to the ongoing COVID-19 pandemic and uncertainty regarding the level of travel restrictions around the time of the meeting, the Company has determined that Shareholders will only be able to attend and participate in the Meeting through an online platform provided by Advanced Share Registry.

To facilitate such participation, voting on each Resolution will occur by a poll rather than a show of hands.

A live webcast and electronic voting via www.advancedshare.com.au/virtual-meeting will be offered to allow Shareholders to attend the Meeting and vote online.

Please refer to the Meeting ID and Shareholder ID on the proxy form to login to the website.

Shareholders may submit questions ahead of the Meeting via the portal.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution 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 resolution 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 a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolutions 1 & 8, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolutions 1 & 8.

PLEASE NOTE: If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

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

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 10.00am (WST) on 18 January 2022, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 6370 4203



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033