

5 September 2022

Dear Shareholder,

**ANNUAL GENERAL MEETING – NOTICE AND PROXY FORM**

Notice is hereby given that the Annual General Meeting ('Meeting') of Shareholders of archTIS Limited ('Company') will be held as a hybrid meeting located at Level 3, archTIS House, 10 National Circuit, Barton ACT 2600 and via an online Virtual Meeting Facility, at 12:30pm (AEDT) on Wednesday, 5 October 2022.

In accordance with section 110D of the *Corporations Act 2001* (Cth) (as inserted by the *Corporations Amendment (Meeting and Documents) Act 2022* (Cth)), the Company will not be dispatching physical copies of the Notice of Meeting ('Notice') unless specifically requested to do so. Instead, a copy of the Notice is available on the Company's ASX Announcement Platform at [www2.asx.com.au](http://www2.asx.com.au) (ASX:AR9).

If you have elected to receive communications by email, a copy of your personalised proxy form will be emailed to you. If you have not elected to receive communications by email, a copy of your personalised proxy form will be posted to you, together with this letter for your convenience.

All shareholders will be able to participate in the Meeting by:

- (a) attending the Meeting either in person at the address noted above, or via the Virtual Meeting Facility, and voting their Shares at the Meeting on Wednesday, 5 October 2022 at 12:30pm (AEDT);
- (b) voting prior to the Meeting by lodging your proxy instructions by no later than 48 hours prior to the Meeting (by 12:30pm (AEDT) on Monday, 3 October 2022) by lodging a proxy form either:
  - o online at: <https://investor.automic.com.au/#/home>; or
  - o by post to: Automic, GPO Box 5193, Sydney, NSW, 2001; or
  - o in person to: Automic, Level 5, 126 Phillip Street, Sydney, NSW, 2000; or
  - o by email to: [meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au); or
  - o by any other means permitted on the proxy form; and/or
- (c) lodging questions in advance of the Meeting by emailing the questions to Winton Willesee, Company Secretary at [winton@azc.com.au](mailto:winton@azc.com.au), by no later than 3 October 2022.

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

If you have any difficulties obtaining a copy of the Notice, or for any other relevant information please contact the Company Secretary on +61 8 9389 3125 or [winton@azc.com.au](mailto:winton@azc.com.au).

Authorised for release by the Board of archTIS Limited.

Yours sincerely,



**Winton Willesee**  
**Joint Company Secretary**  
**archTIS Limited**

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**ARCHTIS LIMITED**  
**ACN 123 098 671**  
**NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 12.30pm (AEDT)

**DATE:** 5 October 2022

**PLACE:** Level 3  
archTIS House  
10 National Circuit  
Barton ACT 2600

and

By Virtual Meeting Facility

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

***This Notice 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 7:00pm (AEDT) on 3 October 2022.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

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#### 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 2022.”*

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

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

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#### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MS LEANNE GRAHAM

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, Listing Rule 14.5 and for all other purposes, Ms Leanne Graham, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

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#### 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.”*

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#### 5. RESOLUTION 4 – APPROVAL TO ISSUE INCENTIVE OPTIONS TO DIRECTOR – MR DANIEL LAI

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 10.14 and for all other purposes, approval is given for the Company to issue up to 210,084 Incentive Options to Mr Daniel Lai (or his nominee) under the Employee Incentive 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.

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**6. RESOLUTION 5 – ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO DIRECTOR – MR DANIEL LAI**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 1,050,420 Incentive Performance Rights to Mr Daniel Lai (or his nominee) under the Employee Incentive Plan on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement and voting prohibition statement applies to this Resolution. Refer to page 4 and 5.

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**7. RESOLUTION 6 – AMENDMENT TO 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 amend its Constitution to include new provisions around the use of technology by the Company.”*

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**8. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES UNDER LISTING RULE 7.1A**

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 23,336,732 Shares issued on 18 November 2021 on the terms and conditions set out in the Explanatory Statement.”*

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

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**9. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES UNDER LISTING RULE 7.1**

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 576,312 Shares issued on 18 November 2021 on the terms and conditions set out in the Explanatory Statement.”*

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

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**10. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES UNDER LISTING RULE 7.1**

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 4,347,826 Shares issued on 25 November 2021 on the terms and conditions set out in the Explanatory Statement."*

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

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**11. RESOLUTION 10 – RATIFICATION OF PRIOR ISSUE OF OPTIONS UNDER LISTING RULE 7.1**

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 9,420,290 Options issued on 26 November 2021 to participants in the Placement on the terms and conditions set out in the Explanatory Statement."*

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

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**12. RESOLUTION 11 – RATIFICATION OF PRIOR ISSUE OF OPTIONS TO PARTICIPANTS IN THE SPP**

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 623,967 Options on the terms and conditions set out in the Explanatory Statement."*

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

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**Dated: 30 August 2022**

**By order of the Board**



**Winton Willesee**  
**Joint Company Secretary**

## Voting Prohibition Statements

<b>Resolution 1– Adoption of Remuneration Report</b>	<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"><li>(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or</li><li>(b) a Closely Related Party of such a member.</li></ul> <p>However, a person (the <b>voter</b>) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none"><li>(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or</li><li>(b) the voter is the Chair and the appointment of the Chair as proxy:<ul style="list-style-type: none"><li>(i) does not specify the way the proxy is to vote on this Resolution; and</li><li>(ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.</li></ul></li></ul>
<b>Resolution 4 and 5 – Approval to issue Incentive Options to Director – Mr Daniel Lai</b>	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (<b>Mr Daniel Lai</b>). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of Mr Daniel Lai.</p> <p>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:</p> <ul style="list-style-type: none"><li>(a) the proxy is either:<ul style="list-style-type: none"><li>(i) a member of the Key Management Personnel; or</li><li>(ii) a Closely Related Party of such a member; and</li></ul></li><li>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</li></ul> <p>Provided the Chair is not Mr Daniel Lai, the above prohibition does not apply if:</p> <ul style="list-style-type: none"><li>(a) the proxy is the Chair; and</li><li>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</li></ul>

## Voting Exclusion Statements

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

<b>Resolution 4 and 5 – Approval to issue Incentive Securities to Director – Mr Daniel Lai</b>	Daniel Lai (or his 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.
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**Resolutions 7 to 11 –  
Ratification of prior issue of  
Placement Securities**

The Placement Participants or any other person who participated in the issue or is a counterparty to the agreement being approved 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.

### **Hybrid Meeting Format**

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Please note the Company is providing the option for Shareholders to participate in the Meeting in person or by virtual meeting facility.

### **Voting by proxy**

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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.

You may submit your Proxy Form online at <https://investor.automic.com.au/#/home>. Login using your existing username and password or click on "register" and follow the on-screen prompts to create your login credentials. Once logged in, click on "Meetings" and follow the prompts to lodge your proxy. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website.

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 or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two 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 in person**

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To vote in person, attend the Meeting at the time, date and place set out above. Please bring your personalised Proxy Form with you as it will help you to register your attendance at the Meeting. If you do not bring your Proxy Form with you, you can still attend the Meeting but representatives from Automic Group Pty Ltd will need to verify your identity.

## **Voting online via Virtual Meeting**

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The Company is pleased to provide shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by Automic, where shareholders will be able to watch, listen, and vote online.

To access and vote at the virtual Meeting:

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

Further information and support on how to use the Virtual Meeting platform is available on the Company's website.

You may still attend the Meeting and vote in person or at the virtual meeting even if you have appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the Meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that Resolution.

**Should you wish to discuss the matters in this Notice please do not hesitate to contact the Company Secretary on +61 8 9389 3125.**

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## EXPLANATORY STATEMENT

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

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the 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 2022 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 [archtis.com](http://archtis.com).

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### 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 Meeting.

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## **3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MS LEANNE GRAHAM**

### **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.

Leanne Graham, who has served as a Director since 21 February 2018 and was last re-elected on 23 December 2020, retires by rotation and seeks re-election.

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

Leanne Graham is a Non-Executive Director at archTIS. She brings over 30 years of executive sales and technology experience, having founded a number of successful software businesses as well as being the highly successful former New Zealand General Manager and global head of sales for Xero.

Ms Graham is also a successful entrepreneur and co-founded Enprise Solutions and Geo-Op both NZX companies. She now runs a board advisor business focussed on early stage and established SaaS companies assisting on business strategy and execution.

Ms Graham's wealth of experience in the Cloud technology and fast growth global go to market strategies will bring key skills to the Board of archTIS, a business with a highly reputable long-term success in Cyber Security, poised for high growth and international expansion with its cloud platform.

Ms Graham is currently non-executive director of BidEnergy Limited (ASX: BID).

### **3.3 Independence**

If re-elected the Board considers Leanne Graham will be an independent Director.

### **3.4 Board recommendation**

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

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## **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 \$42,208,513 (based on the number of Shares on issue and the closing price of Shares on the ASX on 29 August 2022).

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 for cash consideration 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:

- (i) advancing the Company's existing operations;
- (ii) business development, promotion and marketing services;
- (iii) the acquisition of new resources, assets and investments (including expenses associated with such an acquisition); and/or
- (iv) general working capital.

(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 11 August 2022.

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.

Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Dilution		
			Issue Price		
			\$0.098	\$0.195	\$0.29
			50% decrease	Issue Price	50% increase
		Funds Raised			
<b>Current</b>	263,803,207 Shares	26,380,320 Shares	\$2,585,271	\$5,144,162	\$7,729,433
<b>50% increase</b>	395,704,811 Shares	39,570,481 Shares	\$3,877,907	\$7,716,243	\$11,594,150
<b>100% increase</b>	527,606,414 Shares	52,760,641 Shares	\$5,170,542	\$10,288,324	\$15,458,867

\*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 263,803,207 existing Shares as at the date of this Notice.
2. The issue price set out above is the closing market price of the Shares on the ASX on 11 August 2022 (being \$0.195).
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 24 November 2021 (**Previous Approval**).

The Company has not issued any Equity Securities since obtaining the Previous Approval nor has it reached an agreement to issue any Equity Securities for which the issue has not yet taken place.

### **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.

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## **5. RESOLUTION 4 – APPROVAL TO ISSUE INCENTIVE OPTIONS TO DIRECTOR – MR DANIEL LAI**

### **5.1 General**

The Company has agreed, subject to obtaining Shareholder approval, to issue up to 210,084 Incentive Options to the Company's Managing Director and CEO Mr Daniel Lai (or his nominee) pursuant to the Company's Employee Incentive Plan (**Plan**) and on the terms and conditions set out in Schedule 1 (**Incentive Options**).

It is intended that:

- (a) the Incentive Options vest and become exercisable over a period of three financial years, as set out in Schedule 1;
- (b) the Incentive Options will be exercisable at \$0.1428 each; and
- (c) the Incentive Options will expire three years from the date of issue.

The exercise price has been determined using the 5-day volume weighted average price of the Company's Shares over the 5 days ending on 30 June 2022, which was the time period agreed between the Company and Mr Lai for the purpose of determining the incentive milestone. The Board acknowledges that the current trading price of the Company's Shares is above the agreed exercise price as at the date of this Notice of Meeting. However, Mr Lai will not be capable of exercising the Incentive Options immediately, therefore meaning that the future value of the Incentive Options will be dependent upon the prevailing Share price when those Incentive Options vest to Mr Lai in the future.

### **5.2 Chapter 2E of the Corporations Act**

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

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

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

The issue of the Incentive Options to Mr Lai (or his nominee) constitutes giving a financial benefit and Mr Lai is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Lai) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Incentive Options, because the issue of the Incentive Options constitutes reasonable remuneration payable to Mr Lai on the basis that it provides a non-cash related incentive to Mr Lai in his continued role as a key executive of the Company.

### **5.3 Listing Rule 10.14**

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- 10.14.1 a director of the entity;
- 10.14.2 an associate of a director of the entity; or
- 10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Incentive Options to Mr Lai falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolution 4 seeks the required Shareholder approval for the issue of the Incentive Options under and for the purposes of Listing Rule 10.14.

### **5.4 Technical information required by Listing Rule 14.1A**

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Incentive Options to Mr Lai under the Plan within three years 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 Incentive Options (because approval is being obtained under Listing Rule 10.14), the issue of the Incentive Options will not use up any of the Company's 15% annual placement capacity.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the Incentive Options to Mr Lai under the Plan. If Resolution 4 is not passed, the Board reserves the right to negotiate alternative incentive measures with Mr Lai, which would likely include additional cash components.

### **5.5 Technical information required by Listing Rule 10.15**

Pursuant to and in accordance with the requirements of Listing Rule 10.15, the following information is provided in relation to Resolution 4:

- (a) the Incentive Options will be issued to Mr Daniel Lai (or his nominee), who falls within the category set out in Listing Rule 10.14.1, by virtue of Mr Lai being a Director;
- (b) the maximum number of Incentive Options to be issued to Mr Daniel Lai (or his nominee) is 210,084;
- (c) the current total remuneration package for Mr Daniel Lai for the financial year ending 30 June 2023, is currently \$333,612, comprising of \$300,000 salary (exclusive of superannuation) and \$33,612 in share based compensation (being the value of the Performance Rights held by Mr Lai that remain on issue, and have partially vested over the last 12 months). Mr Lai is also entitled to a short-term cash incentive based on annual performance of up to \$120,000 that remains subject to the achievement of associated milestones. If the short-term cash incentive is paid, the Incentive Options are issued and the Performance Rights the subject of Resolution 5 are issued, the total remuneration package of Mr Lai will increase by \$248,321 to \$581,933 (\$21,387 being the value of the Incentive Options based on the valuation methodology outlined in Schedule 2, with a volatility of 75%);
- (d) since adoption of the Plan on 24 November 2021, the Company has previously issued a total of 3,048,170 performance securities under the Plan, including 612,245 Performance Rights to Mr Lai for nil consideration, as approved by Shareholders at the 2021 AGM. Of those, 502,041 have subsequently lapsed;
- (e) a summary of the material terms and conditions of the Incentive Options is set out in Schedule 1. The Incentive Options to be issued to Mr Lai vest in three equal tranches, with one third vesting at the beginning of each forthcoming three financial years, subject to Mr Lai's continued employment with the Company;
- (f) a summary of the material terms and conditions of the Plan is set out in Schedule 3;
- (g) the Incentive Options are unquoted Options. The Company has chosen to issue the Incentive Options to Mr Lai for the following reasons:
  - (i) the Incentive Options are unquoted, therefore, the issue of the Incentive Options has no immediate dilutionary impact on Shareholders;
  - (ii) the issue of Incentive Options to Mr Lai will further align the interests of Mr Lai with those of the Company's Shareholders;
  - (iii) the issue of the Incentive Options is a reasonable and appropriate method to provide additional cost-effective remuneration to Mr Lai as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Lai;
  - (iv) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Incentive Options on the terms proposed;

- (h) the Company values the Incentive Options based on the pricing methodology set out in Schedule 2;
- (i) the Incentive Options will be issued to Mr Lai (or his nominee) no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Incentive Options will be issued on one date;
- (j) the issue price of the Incentive Options will be nil, as such no funds will be raised from the issue of the Incentive Options (other than in respect of the funds received on exercise of the Incentive Options);
- (k) no loan is being made to Mr Lai in connection with the acquisition of the Incentive Options;
- (l) the purpose of the issue of the Incentive Options is to provide a performance linked incentive component in the remuneration package for Mr Lai to align the interests of Mr Lai with those of Shareholders, to motivate and reward the performance of Mr Lai in his role as Managing Director and CEO and to provide a cost effective way for the Company to remunerate Mr Lai, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Lai;
- (m) details of any Incentive Options issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (n) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after Resolution 4 is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14; and
- (o) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolution 4.

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## **6. RESOLUTION 5 – ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO MR DANIEL LAI**

### **6.1 Background**

The Company has agreed, subject to obtaining Shareholder approval, to issue 1,050,420 Performance Rights to the Company's Managing Director and CEO Mr Daniel Lai (or his nominee) pursuant to the Plan and on the terms and conditions set out in Schedule 4 (**Incentive Performance Rights**).

At the Company's 2021 Annual General Meeting, approval was received to issue incentive performance rights to Mr Lai. Of those performance rights issued 18% of those performance rights have partially vested and will likely be capable of being converted into Shares, with the remainder having lapsed.

### **6.2 Chapter 2E of the Corporations Act**

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

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

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

The issue of the Incentive Performance Rights to Mr Lai (or his nominee) constitutes giving a financial benefit and Mr Lai is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Lai) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Incentive Performance Rights, because the issue of the Incentive Performance Rights constitutes reasonable remuneration payable to Mr Lai.

### **6.3 Listing Rule 10.14**

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- 10.14.1 a director of the entity;
- 10.14.2 an associate of a director of the entity; or
- 10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Incentive Performance Rights to Mr Lai falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolution 5 seeks the required Shareholder approval for the issue of the Incentive Performance Rights under the Plan and for the purposes of Listing Rule 10.14.

### **6.4 Technical information required by Listing Rule 14.1A**

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Incentive Performance Rights to Mr Lai under the Plan within three years 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 Incentive Performance Rights (because approval is being obtained under Listing Rule 10.14), the issue of the Incentive Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the Incentive Performance Rights to Mr Lai under the Plan. If Resolution 5 is not passed, the Board reserves the right to negotiate alternative incentive measures with Mr Lai, which would likely include additional cash components.

### **6.5 Technical information required by Listing Rule 10.15**

Pursuant to and in accordance with the requirements of Listing Rule 10.15, the following information is provided in relation to Resolution 5:

- (a) the Incentive Performance Rights will be issued to Mr Daniel Lai (or his nominee), who falls within the category set out in Listing Rule 10.14.1, by virtue of Mr Lai being a Director;
- (b) the maximum number of Incentive Performance Rights to be issued to Mr Daniel Lai (or his nominee) is 1,050,420;
- (c) the current total remuneration package for Mr Daniel Lai for the financial year ending 30 June 2023 is currently \$333,612, comprising of \$300,000 salary (exclusive of superannuation) and \$33,612 in share based compensation (being the value of the Performance Rights held by Mr Lai that remain on issue, that have partially vested over the last 12 months). Mr Lai is also entitled to a short-term cash incentive based on annual performance of up to \$120,000 that remains subject to the achievement of associated milestones. If the short-term cash incentive is paid, the Incentive Options the subject of Resolution 4 are issued and Incentive Performance Rights are issued, the total remuneration package of Mr Lai will increase by \$248,321 to \$581,933 (\$106,934 being the value of the Incentive Performance Rights, based on the Binomial methodology as at 14 August 2022, with a volatility of 75%);
- (d) since adoption of the Plan on 24 November 2021, the Company has previously issued a total of 3,048,170 performance securities under the Plan, including 612,245 Performance Rights to Mr Lai for nil consideration, as approved by Shareholders at the 2021 AGM. Of those, 502,041 have subsequently lapsed;
- (e) a summary of the material terms and conditions of the Incentive Performance Rights is set out in Schedule 4. The Incentive Performance Rights are to be issued to Mr Lai in three tranches;
- (f) a summary of the material terms and conditions of the Plan is set out in Schedule 3;
- (g) the Incentive Performance Rights are unlisted performance rights. The Company has chosen to grant the Incentive Performance Rights to Mr Lai for the following reasons:
  - (i) the Incentive Performance Rights have been designed to incentivise and focus the efforts of the Managing Director to achieve certain strategic objectives of the business;
  - (ii) the issue of Incentive Performance Rights to Mr Lai will further align the interests of Mr Lai with those of the Company's Shareholders;
  - (iii) the issue of the Incentive Performance Rights is a reasonable and appropriate method to provide additional cost-effective remuneration to Mr Lai as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Lai;
  - (iv) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Incentive Performance Rights on the terms proposed;

- (h) the Company values the Incentive Performance Rights at \$106,934 based on the Binomial methodology as at 14 August 2022.
- (i) the Incentive Performance Rights will be issued to Mr Lai (or his nominee) no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Incentive Performance Rights will be issued on one date;
- (j) the issue price of the Incentive Performance Rights will be nil, as such no funds will be raised from the issue of the Incentive Performance Rights;
- (k) no loan is being made to Mr Lai in connection with the acquisition of the Incentive Performance Rights;
- (l) details of any Performance Rights issued under the Performance Rights Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (m) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Performance Rights Plan will not participate until approval is obtained under Listing Rule 10.14; and
- (n) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolution 5.

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## 7. RESOLUTION 6 – AMENDMENT TO CONSTITUTION

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

Resolution 6 is a special resolution which will enable the Company to amend its existing Constitution (**Amended Constitution**) to insert an additional clause 13.A.1, which permits the use of technology at general meetings, including wholly virtual meetings, to the extent permitted under the Corporations Act, Listing Rules and applicable law as follows:

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### **13.A.1 USE OF TECHNOLOGY AT GENERAL MEETINGS**

#### **13.A.1.1 Use of technology**

- (a) *To the extent permitted under the Corporations Act, Listing Rules and any other applicable law, a general meeting may be convened using virtual technology only, or at two or more venues, provided that the form of technology used provides all shareholders entitled to attend the meeting, as a whole, a reasonable opportunity to participate in the meeting without being physically present in the same place.*
- (b) *The provisions of this Constitution relating to general meetings apply, so far as they can and with any necessary changes to ensure compliance with the Corporations Act, Listing Rules and any other applicable law, to general meetings held using that technology.*

- (c) Where a general meeting is held using virtual technology only or at two or more venues using any form of technology:
  - (i) a Shareholder participating in the meeting is taken to be present in person at the meeting;
  - (ii) any documents required or permitted to be tabled at the meeting will be taken to have been tabled at the meeting if the document is given, or made available, to the persons entitled to attend the meeting (whether physically or using technology) before or during the meeting; and
  - (iii) the meeting is taken to be held at the physical venue set out in the notice of meeting, or at the registered office of the Company if the meeting is held using virtual technology only.

### 13.A.1.2 Communication of meeting documents

To the extent permitted under the Corporations Act, Listing Rules and any other applicable law, any document that is required or permitted to be given to a Shareholder that relates to a Shareholders' meeting (including, but not limited to, the notice of meeting) may be distributed:

- (a) by means of electronic communication; or
- (b) by giving the Shareholder (by means of an electronic communication or otherwise) sufficient information to allow the person to access the document electronically,

*in accordance with the Corporations Act.*

A copy of the Amended Constitution is available for review by Shareholders at the office of the Company. A copy of the Amended Constitution 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.

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## 8. RESOLUTIONS 7 TO 11 – RATIFICATION OF PRIOR ISSUES

### 8.1 Background

As announced on 12 November 2021, the Company received binding commitments to raise \$6,500,000 through the issue of approximately 28,260,870 Shares at an issue price of \$0.23 per Share (**Placement**) to domestic and international institutions and sophisticated investors (**Placement Participants**). Under the terms of the Placement, participants received one free Option for every three Shares subscribed for, exercisable at \$0.35 each on or before 23 December 2023 (**Options**).

The issue of Shares and Options under the Placement were completed on various dates during November.

The Company engaged the services of amicaa Advisors Pty Ltd (ACN 637 638 656) (AFSL: 520 271) as lead manager and bookrunner (**Lead Manager**) for the Placement and agreed to pay the Lead Manager a cash fee of 6% (plus GST) of the gross proceeds raised under the Placement.

## **8.2 Share Purchase Plan**

In conjunction with the Placement, the Company also completed a Share Purchase Plan (**SPP**) to eligible shareholders which raised \$430,554 through the issue of 1,871,978 Shares. Shares under the SPP were issued at the same issue price as Shares under the Placement and participants were issued one free Option for every three Shares subscribed for and issued, for a total of 623,967 Options.

## **8.3 Resolutions**

Resolutions 7 to 11 seek the ratification of the issue of those Shares and Options under the Placement and the SPP as follows:

- (a) Resolution 7 – 23,336,732 Shares issued under ASX Listing Rule 7.1A on 18 November 2021;
- (b) Resolution 8 – 576,312 Shares issued under ASX Listing Rule 7.1 on 18 November 2021;
- (c) Resolution 9 – 4,347,826 Shares issued under ASX Listing Rule 7.1 on 25 November 2021; and
- (d) Resolution 10 – 9,420,290 Options issued under ASX Listing Rule 7.1 on 26 November 2021; and
- (e) Resolution 11 – 623,967 Options issued to participants in the SPP under ASX Listing Rule 7.1 on 23 December 2021.

## **8.4 Use of funds raised under the Placement and the SPP**

As outlined in the Company's announcement dated 12 November 2021, funds raised under the Placement and SPP have been applied to:

- (a) leveraging prior success with the Australian Department of Defence through the launching and introduction of Kojensi into key regional markets of US FED and the UK;
- (b) the continuation of the exploration and execution of a proven M&A strategy that drives product, customer and geographical expansion toward greater ARR; and
- (c) building pipeline and close opportunities in conjunction with the Microsoft field through IP Co-sell across defence and other regulated industries.

## **8.5 ASX Listing Rule disclosure**

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 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%.

The Company obtained approval to increase its limit to 25% at the 2021 AGM.

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 issue of the Shares under the Placement and the Options under the Placement and the SPP do not fall under any of the exceptions and therefore are required to be ratified in order for the Company to have use of its 15% and 10% placement capacities during the 12 months after the Placement was completed.

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 issue of Shares and Options under the Placement and the Options under the SPP.

If any of Resolutions 7 to 11 are passed, the securities the subject of the Resolutions 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 those securities.

If any of Resolutions 7 to 11 are not passed, the securities the subject of the Resolution 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 those securities.

## **8.6 Resolution 7**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 7:

- (a) the Shares were issued to professional investor clients of amicaa Advisors Pty Ltd. The recipients were identified through a bookbuild process, which involved amicaa Advisors Pty Ltd seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- (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) 23,336,732 Shares were issued in compliance with ASX Listing Rule 7.1A and the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued on 18 November 2021;

- (e) the issue price was \$0.23 per Share. The Company has not and will not receive any other consideration for the issue of the Shares;
- (f) the Shares were not issued under any agreement; and
- (g) the funds raised from the issue of the Shares were used as outlined in Section 8.4 above.

## **8.7 Resolution 8**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 8:

- (a) the Shares were issued to professional investor clients of amicaa Advisors Pty Ltd. The recipients were identified through a bookbuild process, which involved amicaa Advisors Pty Ltd seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- (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) 576,312 Shares were issued in compliance with ASX Listing Rule 7.1 and the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued on 18 November 2021;
- (e) the issue price was \$0.23 per Share. The Company has not and will not receive any other consideration for the issue of the Shares;
- (f) the Shares were not issued under any agreement; and
- (g) the funds raised from the issue of the Shares were used as outlined in Section 8.4 above.

## **8.8 Resolution 9**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 9:

- (a) the Shares were issued to professional investor clients of amicaa Advisors Pty Ltd. The recipients were identified through a bookbuild process, which involved amicaa Advisors Pty Ltd seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- (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) 4,347,826 Shares were issued in compliance with ASX Listing Rule 7.1 and the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
  - (d) the Shares were issued on 25 November 2021;
  - (e) the issue price was \$0.23 per Share. The Company has not and will not receive any other consideration for the issue of the Shares;
  - (f) the Shares were not issued under any agreement; and
  - (g) the funds raised from the issue of the Shares were used as outlined in Section 8.4 above.

## **8.9 Resolution 10**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 10:

- (a) the Options were issued to professional investor clients of amicaa Advisors Pty Ltd who participated in the Placement the subject of Resolutions 7 to 9;
- (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) 9,420,290 Options were issued in compliance with ASX Listing Rule 7.1 and issued on the basis of one Option for every three Shares issued under the Placement the subject of Resolutions 7 to 9;
- (d) the Options were issued on the terms and conditions set out in Schedule 5;
- (e) the Options were issued on 26 November 2021;
- (f) the Options were issued for nil cash value as they were issued free to participants in the Placement. Should the Options be exercised, the Company will receive \$0.35 for each Option exercised;
- (g) the Options were not issued under any agreement; and

- (h) no funds were raised from the issue of the Options other than the funds received under the Placement, the use of which is described in Section 8.4 above.

#### **8.10 Resolution 11**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 11:

- (a) the Options were issued to Shareholders of the Company who subscribed for Shares (and the Options) under the prospectus lodged by the Company dated 17 November 2021;
- (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) 623,967 Options were issued in compliance with ASX Listing Rule 7.1 and issued on the basis of one Option for every three Shares issued under the SPP;
- (d) the Options were issued on the terms and conditions set out in Schedule 5;
- (e) the Options were issued on 23 December 2021;
- (f) the Options were issued for nil cash value as they were issued free to Shareholders who subscribed under the SPP. Should the Options be exercised, the Company will receive \$0.35 for each Option exercised;
- (g) the Options were not issued under any agreement; and
- (h) no funds were raised from the issue of the Options other than the funds received under the SPP, the use of which is described in Section 8.4 above.

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## GLOSSARY

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**\$** means Australian dollars.

**2021 AGM** means the Company's annual general meeting held on 24 November 2021.

**7.1A Mandate** has the meaning given in Section 4.1.

**AEDT** means Australian Eastern Daylight Time.

**Amended Constitution** has the meaning given to it under Section 6.

**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 Archtis Limited (ACN 123 098 671).

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

**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.

**Incentive Options** means the Options proposed to be issued to Mr Daniel Lai under Resolution 4.

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

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

**Managing Director** means the managing director of the Company, Mr Daniel Lai.

**Meeting** means the meeting convened by the Notice.

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

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

**Placement** means the placement announced by the Company on 12 November 2021.

**Placement Options** means the Options issued under the Placement, ratification of which is sought under Resolution 7.

**Placement Participants** has the meaning given to it under Section 8.1.

**Placement Securities** means the Shares and Placement Options issued under the Placement.

**Plan** means the Company's Employee Incentive Plan approved by Shareholders at the Company's 2021 AGM.

**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 2022.

**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.

**SPP** means the Share Purchase Plan completed by the Company, as announced by the Company on 12 November 2021.

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

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## SCHEDULE 1 – TERMS AND CONDITIONS OF THE INCENTIVE OPTIONS

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The terms and conditions of the Incentive Options that are proposed to be issued to Mr Daniel Lai pursuant to Resolution 4 are as follows:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph(j), the amount payable upon exercise of each Option will be \$0.1428 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on or before the date that is three years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Vesting Conditions**

The Options shall vest over a period of three years, as follows:

- (i) One third of the Options granted to Mr Lai shall vest and become exercisable on 30 June 2023, subject to the Mr Lai remaining engaged by the Company on the date of vesting; and
- (ii) The second third of the Options granted to Mr Lai shall vest and become exercisable on 30 June 2024, subject to Mr Lai remaining engaged by the Company on the date of vesting; and
- (iii) Thereafter, the remaining Options will vest and become exercisable on 30 June 2025, and subject to Mr Lai remaining engaged by the Company on the date of vesting.

If Mr Lai ceases to be an employee of the Company, the treatment of the Options will be as follows:

- (i) Vested Options must be exercised within 6 months from the date of cessation of employment, or they will lapse; and
- (ii) Unvested Options will lapse immediately at the date of cessation of employment.

(e) **Exercise Period**

The Options are exercisable at any time on and from the satisfaction of the vesting conditions set out in subsection (d) above until the Expiry Date (**Exercise Period**).

(f) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(g) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(h) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (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, 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) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (h)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company 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.

(i) **Waiver of vesting conditions on change of control**

Notwithstanding the relevant Milestone has not been satisfied, upon the occurrence of either:

- (i) a takeover bid under Chapter 6 of the Corporations Act 2001 (Cth) having been made in respect of the Company having received acceptances for more than 50% of the Company's Shares on issue and being declared unconditional by the bidder; or
- (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

the vesting conditions attaching to the Incentive Options shall automatically lapse and the Incentive Options shall become capable of being exercised on their terms.

(j) **Quotation of Options**

No application for quotation of the Options will be made by the Company.

(k) **Cashless exercise**

On exercise of the Options, the Board may determine, in its sole discretion, to permit the Holder to exercise the Options by way of Cashless Exercise.

If the Options are exercised by Cashless Exercise, on exercise of the Options:

- (i) the Holder will not be required to pay the Exercise Price for the Options in cleared funds; and
- (ii) the Company will only issue or transfer that number of Shares to the Holder that have a value equal to the then total market value of the Shares that would have been issued or transferred to the Holder if the Options had been exercised other than by way of Cashless Exercise, less the total amount of the Exercise Price that would otherwise have been payable on exercise of the Options (with the number of Shares rounded down).

**Cashless Exercise** means the Holder exercising Options without making any cash payment.

(l) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(m) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(n) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(o) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(p) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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## SCHEDULE 2 – VALUATION OF INCENTIVE OPTIONS

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The Incentive Options to be issued to Mr Daniel Lai pursuant to Resolution 4 have been valued by internal management.

Using the Binomial option pricing model and based on the assumptions set out below, the Incentive Options were ascribed the following value range:

<b>Assumptions:</b>			
Valuation date	16 August 2022		
Exercise price	\$0.1428		
Expiry date (length of time from issue)	3 years from date of issue		
Risk free interest rate	3%		
Volatility	50%	75%	100%
Number of Options	210,084		
<b>Indicative value per Related Party Option</b>	\$0.0801	\$0.1018	\$0.1212
<b>Total Value of Options</b>	\$16,829	\$21,387	\$25,471

**Note:** The valuation ranges noted above are not necessarily the market prices that the Options could be traded at and they are not automatically the market prices for taxation purposes.

## SCHEDULE 3 – MATERIAL TERMS AND CONDITIONS OF THE EMPLOYEE INCENTIVE PLAN

<b>Eligibility</b>	<p>Employees of the Company are eligible to participate in the Employee Incentive Plan (<b>Plan</b>) if they are:</p> <ul style="list-style-type: none"> <li>(a) an “eligible participant” in relation to the Company or an “associated body corporate” (as those terms are defined in the Class Order), where that person is located in Australia;</li> <li>(b) a US resident who is entitled to receive securities without registration pursuant to the exemption under Rule 701 of the US Securities Act of 1933;</li> <li>(c) any person who is a bona fide employee (including executive directors) of any member of the Company (or any subsidiary) (together, the <b>Group</b>), where that person is a UK resident; or</li> <li>(d) a person who has been determined or selected by the Board to be eligible to participate in the Plan from time to time,</li> </ul> <p><b>(Eligible Person).</b></p>
<b>Plan Securities</b>	<p>Securities that may be issued under the Plan are options, performance rights, restricted stock units, or such other securities convertible into the capital of the Company and of a similar substance to an option, performance right or restricted stock unit, which the Board approves for issue under the Plan (<b>Plan Securities</b>).</p>
<b>Operation of Plan</b>	<p>The Plan is administered by the Board. The Board may from time to time offer an Eligible Person participation in the Plan and provide details of any conditions of vesting (<b>Vesting Conditions</b>). After accepting that offer by completing the Application Form, the Company may grant the Plan Securities to the Eligible Person, resulting in the Eligible Person becoming a Plan Participant (<b>Plan Participant</b>).</p>
<b>Vesting Conditions</b>	<p>Vesting Conditions required to be satisfied before a Participant can exercise a Plan Security are to be determined by the Board and notified to the Eligible Person in the notice of offer.</p>
<b>Rank of Shares</b>	<p>Shares (issued on exercise or conversion of a Plan Security) rank equally with all existing Shares on and from the date on which the Board issues the Share to the Eligible Employee (<b>Date of Issue</b>) in respect of all rights issues, bonus share issues and dividends which have a record date for determining entitlements on or after the Date of Issue.</p>
<b>Lapse of Plan Securities</b>	<p>A Plan Security lapses on the earliest of:</p> <ul style="list-style-type: none"> <li>(a) the date of exercise or conversion;</li> <li>(b) a change of control event occurring;</li> <li>(c) five years from the date of grant or any earlier date determined by the Board and set out in the offer;</li> </ul>

	<p>(d) the date the Board determines that the Plan Security should lapse because the Plan Participant (in the Board's opinion):</p> <ul style="list-style-type: none"> <li>(i) is a bad leaver;</li> <li>(ii) has breached a material obligation under the Plan or any other Group equity participation arrangement;</li> <li>(iii) has breached any restraint of trade or obligation of confidence binding on the Plan Participant in favour of a Group company; or</li> <li>(iv) has done any act which brings a Group company into disrepute;</li> </ul> <p>(e) if the Plan Participant ceases to be an Eligible Person in circumstances where the Plan Participant is a good leaver, 180 days after the date the Plan Participant ceases to be employed or engaged by a member of the Group.</p>
<b>Loans</b>	<p>The Board may, from time to time in its absolute discretion, offer Plan Participants (except a Participant who is a US resident) a loan for the purposes of paying the exercise price of any Plan Securities capable of exercise. The offer of such loan will be subject to compliance with the laws of the relevant jurisdiction in which the Plan Participant resides.</p>
<b>Restriction on Dealings</b>	<p>Plan Securities held by a Plan Participant are personal to the Plan Participant and may not be exercised by any other person without the consent of the Board (unless the dealing relates to a reorganisation or change in control of the Company).</p>
<b>Amendment</b>	<p>The Board may at any time amend the terms of the Plan, or waive or modify the application of the terms in relation to any Plan Participant, provided that:</p> <ul style="list-style-type: none"> <li>(a) to the extent that any amendment would trigger the requirement for Shareholder approval under the Corporations Act or the Listing Rules, the Company will use reasonable endeavours to obtain that Shareholder approval as promptly as possible, and the exercise of the discretion or other amendments will be conditional upon shareholder approval being obtained; and</li> <li>(b) if a proposed amendment to the Plan would adversely affect the rights of Plan Participants in respect of any Plan Securities and/or Plan Shares then held by them, the Board must obtain the consent of Plan Participants holding not less than 75% of the Plan Securities and/or Plan Shares (as the case may be) affected adversely by the proposed amendment (except in relation to compliance with law or the Listing Rules, correcting a mistake or addressing tax consequences for the Company).</li> </ul>

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## SCHEDULE 4 – TERMS AND CONDITIONS OF INCENTIVE PERFORMANCE RIGHTS

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The terms and conditions of the Incentive Performance Rights that are proposed to be issued to Mr Daniel Lai pursuant to Resolution 5 are as follows:

(a) **Milestone and Expiry Dates**

The Incentive Performance Rights are to be issued in three (3) tranches as follows:

	Number	Performance Condition
<b>Tranche 1</b>	420,168	The Company achieving consolidated group revenue for the financial year ended 30 June 2023 of AU\$9,981,901 or more, as determined by the Board in its sole discretion on or before 30 September 2023, as verified by reference to the Company's FY2023 audited annual financial statements.
<b>Tranche 2</b>	420,168	The Company achieving annual recurring revenue for the financial year ended 30 June 2023 of AU\$7,953,233 or more, as determined by the Board in its sole discretion on or before 30 September 2023, as verified by reference to the Company's FY2023 audited annual financial statements.
<b>Tranche 3</b>	210,084	The Company's operating expenses remaining below 131% of revenue for the financial year ended 30 June 2023, as determined by the Board in its sole discretion on or before 30 September 2023, as verified by reference to the Company's FY2023 audited annual financial statements.

In addition to the Performance Conditions set out above, Mr Lai must remain an 'Eligible Participant' under the Plan for the Incentive Performance Rights to vest. Vesting will occur as follows (subject to satisfaction of the Performance Conditions):

(a) 50% on 15 December 2023; and

(b) 50% on 15 June 2024,

**(Retention Conditions).**

Where less than 100%, but more than 75% of each of the Performance Conditions is met, a pro rata proportion of the Incentive Performance Rights will become eligible for vesting, subject to the satisfaction of the Retention Conditions above. The remaining Incentive Performance Rights will lapse immediately.

The Incentive Performance Rights will expire on the date falling 2 years after the date of their grant (**Expiry Date**).

*Independent Verification*

Subject to the achievement of a Performance Condition and Retention Condition, an Incentive Performance Right will only be able to be converted into

a Share after the Company's auditor verifies the achievement of the Performance Condition.

(b) **Notification to holder**

The Company shall notify the holder in writing when the relevant Performance Condition has been satisfied.

(c) **Conversion**

Subject to paragraph (p), upon satisfaction of the applicable Performance Condition, and if Mr Lai remains an 'Eligible Participant' under the Plan, each Incentive Performance Right will, at the election of Mr Lai (by notice to the Company in writing), convert into one Share.

(d) **Conversion on change of control**

Subject to paragraph (p) below and notwithstanding the relevant Milestone has not been satisfied, upon the occurrence of either:

- (iii) a takeover bid under Chapter 6 of the Corporations Act 2001 (Cth) having been made in respect of the Company having received acceptances for more than 50% of the Company's Shares on issue and being declared unconditional by the bidder; or
- (iv) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

the Incentive Performance Right shall automatically convert into Shares, provided that if the number of Shares that would be issued upon such conversion is greater than 10% of the Company's Shares on issue as at the date of conversion, then that number of Incentive Performance Right that is equal to 10% of the Company's Shares on issue as at the date of conversion under this paragraph will automatically convert into an equivalent number of Shares. The conversion will be completed on a pro rata basis across each class of Incentive Performance Rights then on issue. Incentive Performance Rights that are not converted into Shares under this paragraph will continue to be held on the same terms and conditions.

(e) **Lapse of an Incentive Performance Right**

Any Incentive Performance Right that has not been converted into a Share prior to the Expiry Date specified in paragraph 0 will automatically lapse. For the avoidance of doubt, an Incentive Performance Right will not lapse in the event a relevant Performance Hurdle is met before the Expiry Date and the Shares the subject of a conversion are deferred in accordance with paragraph (p) below.

(f) **Fraudulent or dishonest action**

If Mr Lai ceases to be an employee or Director of the Company in circumstances where the cessation or termination is specifically referenced to him having been found to have acted fraudulently or dishonestly in the performance of his or her duties, then:

- (i) the Board must deem any Incentive Performance Right of the holder to have immediately lapsed and be forfeited; and

- (ii) any Incentive Performance Right that have vested will continue in existence in accordance with their terms of issue only if the relevant Performance Condition has previously been met, and any Shares issued on satisfaction of the applicable Performance Condition will remain the property of Mr Lai.

(g) **Ceasing to be an employee or Director**

If Mr Lai ceases to be an employee or Director of the Company in circumstances where the cessation or termination arises because he:

- (i) voluntarily resigns his position (other than to take up employment with a subsidiary of the Company);
- (ii) wilfully breaches the terms of his engagement with the Company or any policy of the Company's published policies regulating his behaviour;
- (iii) is convicted of a criminal offence which, in the reasonable opinion of the Company, might tend to injure the reputation or the business of the Company; or
- (iv) is found guilty of a breach of the Corporations Act and the Board considers that it brings Mr Lai or the Company into disrepute,

then:

- (v) unless the Board decides otherwise in its absolute discretion, will deem any Incentive Performance Rights of the holder to have immediately lapsed and be forfeited; and
- (vi) any Incentive Performance Rights that have vested will continue in existence in accordance with their terms of issue only if the relevant Performance Condition has previously been met and any Shares issued on satisfaction of the applicable Performance Condition will remain the property of Mr Lai.

(h) **Other circumstances**

The Incentive Performance Rights will not lapse and be forfeited where Mr Lai ceases to be an employee or Director of the Company for one of the following reasons:

- (i) death or total permanent disability (in respect of total permanent disability being that because of a sickness or injury, Mr Lai is unable to work in his own or any occupation for which they are suited by training, education, or experience for a period beyond one year);
- (ii) redundancy (being where Mr Lai ceases to be an employee or Director due to the Company no longer requiring his position to be performed by any person); or
- (iii) any other reason, other than a reason listed in paragraph (f) and (g) (not including (g)(i), in which case the Board may exercise its absolute discretion to allow Mr Lai to retain their Incentive Performance Rights), that the Board determines is reasonable to permit Mr Lai to retain his Incentive Performance Rights,

and in those circumstances the Incentive Performance Rights will continue to be subject to the applicable Performance Condition.

(i) **Share ranking**

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

(j) **Application to ASX**

The Incentive Performance Rights will not be quoted on ASX.

(k) **Timing of issue of Shares on Conversion**

Within 10 Business Days after the date that the Company receives notice in accordance with paragraph (c), the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Incentive Performance Rights converted;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the conversion of the Incentive Performance Rights.

If a notice delivered under (k)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company 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.

(l) **Transfer of Incentive Performance Rights**

The Incentive Performance Rights are not transferable.

(m) **Participation in new issues**

An Incentive Performance Right does not entitle Mr Lai (in their capacity as a holder of Incentive Performance Rights) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(n) **Reorganisation of capital**

If at any time the issued capital of the Company is reconstructed, all of Mr Lai's rights as a holder of Incentive Performance Rights will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.

(o) **Dividend and Voting Rights**

The Incentive Performance Rights do not confer an entitlement to vote on any resolutions proposed by the Company (except as otherwise required by law) or receive dividends.

(p) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the conversion of an Incentive Performance Right would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of an Incentive Performance Right would result in a contravention of the General Prohibition:

- (i) holders may give written notification to the Company if they consider that the conversion of an Incentive Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from Mr Lai will entitle the Company to assume the conversion of an Incentive Performance Right will not result in any person being in contravention of the General Prohibition;
- (ii) the Company may (but is not obliged to) by written notice to Mr Lai request a holder to provide the written notice referred to in paragraph (p)(i) within seven (7) days if the Company considers that the conversion of an Incentive Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from Mr Lai will entitle the Company to assume the conversion of an Incentive Performance Right will not result in any person being in contravention of the General Prohibition.

(q) **No rights to return of capital**

An Incentive Performance Right does not entitle Mr Lai to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(r) **Rights on winding up**

An Incentive Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

(s) **Tax Deferral**

For the avoidance of doubt, Subdivision 83A-C of the Income Tax Assessment Act 1997, which enables tax deferral on performance rights, applies (subject to the conditions in that Act) to the Incentive Performance Rights.

(t) **No other rights**

An Incentive Performance Right gives Mr Lai no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

(u) **ASX Listing Rule compliance**

The Board reserves the right to amend any term of the Incentive Performance Rights to ensure compliance with the ASX Listing Rules.

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## SCHEDULE 5 – TERMS AND CONDITIONS OF OPTIONS

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(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.35 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on or before 23 December 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (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, 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) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company

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.

(h) **Quotation of Options**

The Options are currently quoted and trading as ASX:AR9O.

(i) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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

Holder Number:

Your proxy voting instruction must be received by **12.30pm (AEDT) on Monday, 3 October 2022**, being **no later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting

## SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

### YOUR NAME AND ADDRESS

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

### STEP 1 – APPOINT A PROXY

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

### DEFAULT TO THE CHAIR OF THE MEETING

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

### STEP 2 - VOTES ON ITEMS OF BUSINESS

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

### APPOINTMENT OF SECOND PROXY

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

### SIGNING INSTRUCTIONS

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

**Joint holding:** Where the holding is in more than one name, all Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

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

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

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

### CORPORATE REPRESENTATIVES

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

### Lodging your Proxy Voting Form:

#### Online:

Use your computer or smartphone to appoint a proxy at

<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

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



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

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

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