

17 October 2022

Dear Shareholders

## **ANNUAL GENERAL MEETING**

The Annual General Meeting of WA Kaolin Limited (**Company**) is scheduled to be held on Friday, 18 November 2022 at 2.30pm (WST) (**Meeting**).

In accordance with the *Treasury Laws Amendment (2021 Measures No.1) Act 2021*, the Company will not be sending hard copies of the Notice of Meeting to shareholders unless a shareholder has requested a hard copy. The Notice of Meeting can be viewed and downloaded from the link set out below.

The Company **strongly encourages Shareholders to lodge a directed proxy form prior to the Meeting**. Questions should also be submitted in advance of the meeting as this will provide management with the best opportunity to prepare for the meeting, for example by preparing answers in advance to Shareholder questions. However, votes and questions may also be submitted during the Meeting.

Please find below links to important Meeting documents:

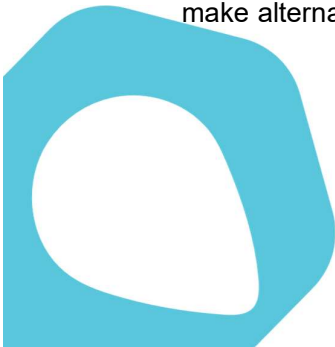
- Notice of Meeting and Explanatory Memorandum: <https://www.wakaolin.com.au/investors-and-media/asx-announcements>

Alternatively, a complete copy of the Notice of Meeting and Explanatory Statement has been posted on the Company's ASX market announcements page.

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

In order to receive electronic communications from the Company in future, please update your Shareholder details online at <https://investor.automic.com.au/#/home> and log in with your unique shareholder identification number and postcode (or country for overseas residents), where you can find your enclosed personalised proxy form. Once logged in you can also lodge your proxy vote online by clicking on the "Vote" tab. If you are unable to access the Notice of Meeting and Explanatory Memorandum online please contact the Company Secretary, Michael Kenyon, on +61 8 9439 6300 or via email at [mkenyon@wakaolin.com.au](mailto:mkenyon@wakaolin.com.au).

The Australian government and the respective State governments are implementing a wide range of measures to contain or delay the spread of COVID-19. If it becomes necessary or appropriate to make alternative arrangements to those set out in the Company's Notice of Meeting, the Company



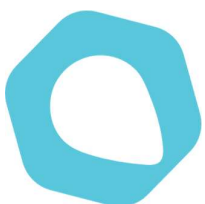


will notify Shareholders accordingly via the Company's web site at [www.wakaolin.com.au](http://www.wakaolin.com.au) and the Companies ASX Announcement Platform at [asx.com.au](http://asx.com.au) (ASX: WAK).

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

Sincerely

**M Kenyon**  
**Company Secretary and Chief Financial Officer**





**WA Kaolin Limited  
ACN 083 187 017**

## **NOTICE OF ANNUAL GENERAL MEETING**

**The Annual General Meeting of WA Kaolin Limited will be held at  
the offices of BDO, Level 9, Mia Yellagonga Tower 2, 5 Spring  
Street, Perth, Western Australia**

**on Friday, 18th November 2022 at 2.30pm (WST).**

If you are unable to attend the meeting, you may complete the Proxy Form (enclosed) and return it to the Company as soon as possible and in any event so it is received by the Company Secretary at the place specified in the Proxy Form no later than 48 hours prior to the time of commencement of the meeting.

### **THIS DOCUMENT IS IMPORTANT**

This Notice should be read in its entirety. If you do not understand it or are in any doubt about how to act, you should consult your stockbroker, solicitor, accountant or other professional adviser immediately.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary, Michael Kenyon, by telephone on +61 8 9439 6300.

The **2022 Annual Report** can be viewed on the Company's website at [www.wakaolin.com.au](http://www.wakaolin.com.au)

# WA KAOLIN LIMITED

ACN 083 187 017

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of shareholders of WA Kaolin Limited (**Company**) will be held the offices of BDO, Level 9, Mia Yellagonga Tower 2, 5 Spring Street, Perth, Western Australia on 18th November 2022 at 2.30pm (WST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and Proxy Form are part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 16th November 2022 at 4.00pm (WST). Accordingly, transactions registered after that time will be disregarded in determining Shareholders' entitlements to vote.

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

## AGENDA

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### Annual Report

To consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2022, which includes the Financial Report, the Directors' Report and the Auditor's Report.

Note: There is no requirement for Shareholders to approve these statements.

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### 1. Resolution 1 – Adoption of Remuneration Report

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

*"That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, approval is given by the Shareholders for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2022."*

The vote on this Resolution is advisory only and does not bind the Directors or the Company. The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

#### Voting Prohibition

A vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast.

However, a vote may be cast by such persons if the vote is not cast on behalf of such a person, and the person:

- (a) is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) is the Chairperson and the appointment of the Chairperson as proxy does not specify the way the proxy is to vote on this Resolution, and expressly authorises the Chairperson to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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## 2. Resolution 2 – Re-election of Director – Alfred Baker

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

*"That, pursuant to and in accordance with article 6.1(f) of the Constitution and for all other purposes, Alfred Baker, a director, retires and being eligible, is re-elected as a director on the terms and conditions set out in the Explanatory Memorandum."*

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## 3. Resolution 3 – Re-election of Director – Patrick Walta

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

*"That, pursuant to and in accordance with article 6.1(e) of the Constitution and for all other purposes, Patrick Walta, a director, retires and being eligible, is re-elected as a director on the terms and conditions set out in the Explanatory Memorandum."*

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## 4. Resolution 4 – Approval of Equity Incentive Plan

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

*"That, for the purposes of Listing Rules 7.2 (Exception 13(b)) and 10.19, sections 200B and 200E of the Corporations Act and for all other purposes, approval is given for the Company to re-adopt its employee incentive scheme titled WA Kaolin Employee Equity Incentive Plan (**Plan**) and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement."*

**ASX Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is eligible to participate in the employee incentive scheme or any Associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

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

- (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

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

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## 5. Resolution 5 – Issue of Options to Director Patrick Walta

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

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 1,500,000 Options to Director Mr Patrick Walta or his nominee under the Plan on the terms and conditions set out in the Explanatory Statement”.*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person referred to in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan or any of their associates. However, the Company need not disregard a vote if it is 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 directions given to the proxy or attorney on the Resolution in that way;
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

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

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## 6. Resolution 6 – Approval of 10% Placement Facility

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

*“That pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the Company having the additional capacity to issue Equity Securities provided for under Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”*

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## 7. Resolution 7 – Ratification of prior issue – Shares

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 33,888,890 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved and any associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting 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.

**BY ORDER OF THE BOARD**

**Michael Kenyon**  
**Company Secretary**  
**Dated: 14 October 2022**

## **EXPLANATORY MEMORANDUM**

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### **Introduction**

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted on Friday, 18th November 2022 at 2.30pm (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders when deciding whether or not to pass the Resolutions.

A Proxy Form is located at the end of this Explanatory Memorandum.

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## **1. Action to be taken by Shareholders and proxies**

### **1.1 Action to be taken by Shareholders**

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

### **1.2 Proxies**

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend, complete and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company 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, but where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 2.30pm (WST) on 16<sup>th</sup> November 2022, being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

### **1.3 COVID-19**

Should there be restrictions on indoor gatherings in Western Australia at the time of the Annual General Meeting as a result of the COVID-19 pandemic, the Company



encourages shareholders NOT TO ATTEND THE ANNUAL GENERAL MEETING IN PERSON and to vote by proxy.

Please note that the Company will strictly comply with any applicable limitations on indoor gatherings in force at the time of the Annual General Meeting. If any restrictions are in force at the time of the Annual General Meeting voting by you at the Annual General Meeting will not be possible if entry is denied to you unless a proxy is appointed by you and is in attendance at the meeting.

If submitting a proxy form, it is strongly recommended that the chair is appointed as your proxy to ensure the proxy will be in attendance at the Annual General Meeting. It is also recommended that you direct your proxy how to vote on the voting form.

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## 2. Annual Report

In accordance with section 317(1) of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2022.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available by contacting the Company Secretary, Michael Kenyon, at the Company's registered office on +61 8 9439 6300 or emailing [mkenyon@wakaolin.com.au](mailto:mkenyon@wakaolin.com.au);
- (b) ask questions or make comment on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairperson about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five (5) Business Days before the Meeting to the Company Secretary at the Company's registered office.

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## 3. Resolution 1 - Adoption of Remuneration Report

### Background

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the

Company and the remuneration arrangements in place for the executive Directors, specified management and non-executive Directors.

In accordance with subsection 250R (3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Shareholders will have the opportunity to remove the whole Board except the Managing Director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report will cease to hold office and may stand for re-election.

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, a Resolution will not be relevant for this Annual General Meeting.

Please note, if the Remuneration Report receives a Strike at this Meeting and a second Strike is received at the 2023 annual general meeting, this may result in the re-election of the Board.

The Chairperson will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

### **Recommendation**

The Chairperson intends to exercise all available proxies in favour of Resolution 1.

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in accordance with the Chairperson's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

The Board recommends that Shareholders vote in favour of Resolution 1.

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## **4. Resolution 2 - Re-election of Director – Alfred Baker**

### **Background**

Clause 6.1(f)(i)(A) of the Constitution requires that, excluding any director who was appointed casually by the Board and has to retire at the Meeting under clause 6.1(e) of the Constitution, and the managing director, one third of the remaining directors (rounded down to the nearest whole number) must retire from office as a director at the Meeting.

Mr Baker, who was last re-elected as a director at the 2021 AGM, will retire pursuant to Clause 6.1(f) and, being eligible, seeks re-election as a director.

A brief CV of Alfred Baker is included in the Directors' Report.

The Board considers that Alfred Baker is not an independent Director.

### **Recommendation**

Resolution 2 is an ordinary resolution.

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

The Board (excluding Alfred Baker) recommends that Shareholders vote in favour of Resolution 2.

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## **5. Resolution 3 – Re-election of Director – Patrick Walta**

### **Background**

Clause 6.1(e) of the Constitution requires that a director, other than the managing director, appointed casually by the Board under rule 6.1(d) of the Constitution must retire from office at the next annual general meeting following his or her appointment.

Mr Patrick Walta, who was appointed as a director on 1 October 2022, will retire pursuant to Clause 6.1(e) and, being eligible, seeks re-election as a director.

The Board considers that Mr Walta is an independent Director.

A brief CV of Mr Walta is included below:

Mr Walta is a qualified metallurgist, mineral economist and board executive and his appointment significantly strengthens WAK's mining operations experience. Patrick was previously Managing Director of New Century Resources Limited (ASX: NCZ), which he founded in 2017 following the successful negotiation and acquisition of the Century Zinc Mine in Queensland. Under Patrick's leadership, the Century Zinc Mine was successfully restarted, commissioned, and ramped up to be the 13th largest zinc producer worldwide. These efforts led to the Century Mine being a finalist for the Mine of the Year Award (Australian Mining Prospect Awards) in 2021.

Mr Walta has also had an impressive career within the resources industry including previous experience at Rio Tinto, Citic Pacific Mining, Cradle Resources, Carbine Resources, Primary Gold and Clean TeQ. Throughout his career Patrick has received many industry accolades including the MNN Emerging Leader of the Year Award in 2018 and the Young Achiever of the Year award in 2015 at the Australian Mining Prospect Awards.

Mr Walta holds degrees in Chemical Engineering and Science, from Melbourne University and has completed postgraduate studies including an MBA, Master of Science (Mineral Economics) and a Diploma of Project Management and is a graduate of the AICD Company Directors Course.

### **Recommendation**

Resolution 3 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 3.

The Board (excluding Mr Walta) recommends that Shareholders vote in favour of Resolution 3.

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## 6. Resolution 4 - Adoption of Equity Incentive Plan

### Background

The Company considers it is desirable to maintain its employee incentive scheme called the “WA Kaolin Employee Equity Incentive Plan” (**Plan**) under which the Company can issue Equity Securities in the form of Shares, Options and Performance Rights (together, **Awards**).

The objective of the Plan is to attract, motivate and retain key officers, employees and consultants of the Company by providing them with the opportunity to acquire Equity Securities that allow them to participate in the future growth of the Company.

### ASX Listing Rule 7.2 (Exception 13(b))

Resolution 4 seeks Shareholder approval for the issue of Equity Securities under the Plan, as an exception to ASX Listing Rule 7.1, in accordance with ASX Listing Rule 7.2 (Exception 13(b)).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.2 (Exception 13(b)) provides that issue of Equity Securities under an employee incentive scheme within period of 3 years from the date on which shareholders approve the issue of Equity Securities under the scheme is an exception to ASX Listing Rule 7.1.

If Resolution 4 is passed, the Company will be able to issue Equity Securities under the Plan to eligible participants over a period of 3 years without impacting on the Company’s ability under Listing Rule 7.1 to issue up to 15% of its total ordinary securities without Shareholder approval in any 12-month period.

If Resolution 4 is not passed, the Company’s 15% placement capacity under Listing Rule 7.1 will be reduced each time it issues Equity Securities under the Plan to eligible participants unless issued under another exception under Listing Rule 7.2 (for example with Shareholder approval under Listing Rules 10.11 or 10.14 where issued to a related party).

In accordance with the requirements ASX Listing Rule 7.2 (Exception 13(b)), the following information is provided in relation to the proposed approval of the Plan and the issue of Equity Securities under it:

- (a) a summary of the terms of the Plan is provided in Schedule 2;
- (b) no Equity Securities have previously been issued under the Plan since the Company listed; and
- (c) the maximum number of Equity Securities proposed to be issued under the Plan over the three years following Shareholder approval is 15 million inclusive of the Options proposed to be granted under Resolution 5. This maximum is 4.50% of the Shares currently on issue.

Any future grant of Awards under the Plan to a related party or a person whose relationship with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time. For this reason, the Company is also seeking approval under Resolution 5 for the issue of Options to Director Mr Patrick Walta (or his nominee) pursuant to the Plan.

### **Termination Benefits**

The Corporations Act restricts the benefits that can be given to persons who, on leaving their officer or employment with the Company or any of its related bodies corporate hold a "managerial or executive office" (as defined in the Corporations Act) (**Executive**) or held such an office in the previous three years.

Under Section 200B of the Corporations Act, a company may only give such a person a benefit in connection with them ceasing to hold a managerial or executive office if the benefit is approved by shareholders under Section 200E of the Corporations Act or an exemption applies. Sections 200F and 200G of the Corporations Act provide exemptions for certain benefits provided they fall below certain limits (**Benefit Caps**).

The term "benefit" has a wide meaning and may include benefits resulting from the Board exercising certain discretions under the rules of the Plan. In particular, the Board possesses the discretion to determine, where an Executive ceases to be an officer or employee, that any vesting conditions applying to Awards held by the Executive or their nominee are waived, in whole or in part.

This may provide the Executive with a benefit, being the ability for Awards held by them or their nominee to vest and be exercised into Shares when the Awards might otherwise lapse on office or employment ceasing.

The exercise by the Board of its discretion under the Plan on termination of an Executive's office may constitute a "benefit" for the purposes of ASX Listing Rule 10.19.

ASX Listing Rule 10.19 provides that, without Shareholder approval, a company must ensure that no officer of the Company or any of its child entities will, or may be, entitled to termination benefits if the value of those benefits and the terminations benefits that are or may be payable to all officers together exceed 5% of the equity interests of the Company as set out in the latest accounts given to ASX under the Listing Rules.

The Company is therefore seeking Shareholder approval in advance for any benefits given under the Plan to Executives that are in connection with the Executive ceasing office or employment.

Provided Shareholder approval is given, the value of these benefits may be disregarded when determining if the Benefit Caps under Sections 200F and 200G of the Corporations Act and ASX Listing Rule 10.19.

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

The following additional factors may also affect the benefit's value:

- (a) the Executive's length of service and the portion of vesting periods at the time they cease office or employment;

- (b) the status of the performance hurdles attaching to the securities at the time the Executive's employment or office ceases; and
- (c) the number of unvested Awards that the Executive or their nominee holds at the time the Executive ceases employment or office.

#### **Additional Information**

Resolution 4 is an ordinary resolution.

The Board declines to make a recommendation in relation to Resolution 4 due to their potential personal interests in the outcome of the Resolution.

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## **7. Resolution 5 – Issue of Options to Director Patrick Walta**

### **General Comments**

Under the Company's Employee Equity Incentive Plan, the Company may issue Shares, Options or Performance Rights.

It is proposed that, subject to Shareholder approval, a total of 1,500,000 Options (**Related Party Options**) will be issued to Director Mr Patrick Walta (or his nominee) (**Related Party**).

The Related Party Options are exercisable at \$0.35 each and expire 5 years from grant.

Resolution 5 seeks Shareholder approval for the grant of the Related Party Options to the Related Party.

### **Related Party Transaction**

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

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

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

The grant of the Related Party Options to the Related Party, under the Plan, requires the Company to obtain Shareholder approval because this constitutes giving a financial benefit and, as the Related Party is a Director, he is a related party of the Company.

It is the view of the Company that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Related Party Options because the Related Party Options are considered reasonable remuneration in the circumstances and were negotiated on an arm's length basis.

### ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides that a company must not permit any of the following persons to acquire securities under an employee incentive scheme without the approval of holders of ordinary securities of the acquisition:

- (a) a director of the company;
- (b) an associate of a director; or
- (c) a person whose relationship with the company or a person referred to in (a) or (b) above is, in ASX's opinion, such that approval should be obtained.

If Resolution 5 is passed, the Related Party Options will be issued to the Director Mr Patrick Walta (or his nominee) who fall within Listing Rule 10.14.1 (if a director) or Listing Rule 10.14.2 (if a nominee of a director). Therefore, the Company requires Shareholder approval in accordance with ASX Listing Rule 10.14 to issue the Related Party Options to the Related Party (or his nominee).

If Resolution 5 is not passed, the Company will not be able to grant the Related Party Options the subject of that Resolution and will need to assess whether alternative incentives are to be offered to the Related Party.

### Shareholder Approval (Listing Rule 10.14)

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

- (a) Mr Walta is a related party by virtue of being a Director of the Company and so falls under Listing Rule 10.14.1. If the Related Party Options are granted to a nominee of Mr Walta, the nominee will be an Associate of the Director and fall under Listing Rule 10.14.2;
- (b) 1,500,000 Related Party Options (being the nature of the financial benefit being provided) are proposed to be granted to the Related Party (or his nominees);
- (c) the current total remuneration package of the Related Party (inclusive of superannuation and equity-based remuneration) for the current financial year, and for the previous two financial years, is as follows. This is in addition to the Related Party Options proposed to be granted under Resolution 5;

Related Party	Current financial year to 30 June 2023 (estimate)	Financial year Ended 30 June 2022	Financial year Ended 30 June 2021
Patrick Walta	\$39,780	-	-

- (d) the Related Party (and his associates) have not previously been issued any Awards under the Plan;
- (e) the material terms of the Related Party Options are set out in Schedule 3;

- (f) the Company wishes to grant Related Party Options as they are a cost effective mechanism to incentivise the Related Party;
- (g) the value of the Related Party Options proposed to be issued to the Related Party and the pricing methodology is set out in Schedule 4;
- (h) the Related Party Options will be granted to the Related Party (or his nominee) no later than 12-months after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Options will be issued on one date;
- (i) the Related Party Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (j) a summary of the Plan, which applies to the Related Party Options, is set out in Schedule 2;
- (k) no loan has or will be provided to the Related Party in relation to the issue or subsequent exercise of the Related Party Options;
- (l) details of any securities issued under the Plan will be published in the Company's annual report 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; and
- (m) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after Resolution 5 is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under that rule.

#### **Directors' recommendations**

The Board (other than Mr Walta who has a material personal interest in the Resolution) recommend that Shareholders vote in favour of Resolution 5.

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## **8. Resolution 6 – Approval of 10% Placement Facility**

### **General**

ASX Listing Rule 7.1A provides that, in addition to the 15% placement capacity permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue, during the period the approval is valid, a number of quoted Equity Securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period as adjusted in accordance with the formula in ASX Listing Rule 7.1 (**10% Placement Facility**).

An eligible entity is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less (excluding restricted securities and securities quoted on a deferred settlement basis). The Company is an eligible entity.

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. The Company has one class of quoted equity securities on issue, being ordinary shares (ASX Code: WAK).



The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue quoted Equity Securities under the 10% Placement Facility available under ASX Listing Rule 7.1A. The maximum number of quoted Equity Securities that may be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

If Resolution 6 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in ASX Listing Rules 7.1 and 7.1A without further Shareholder approval.

If Resolution 6 is not passed, the Company will not be able to access the additional 10% capacity to issue quoted Equity Securities without Shareholder approval available under ASX Listing Rule 7.1A, and will remain subject to the 15% limit on issuing (or agreeing to issue) Equity Securities without Shareholder approval set out in ASX Listing Rule 7.1.

Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

### **Description of Listing Rule 7.1A and information required by Listing Rule 7.3A**

#### **(a) 10% Placement Period**

If Shareholders approve Resolution 6, the Company's ability to issue quoted Equity Securities under the 10% Placement Facility 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 the Meeting;
- (ii) the time and date of the Company's next annual general meeting;
- (iii) the time and date of the approval by Shareholders of a transaction under ASX Listing Rules 11.1.2 or 11.2,

(the **10% Placement Period**).

#### **(b) Minimum Issue Price**

The issue price of quoted Equity Securities issued under Listing Rule 7.1A must be a cash consideration per Equity Security of not less than 75% of the volume weighted average market price (**VWAP**) of Equity Securities in the same class calculated over the 15 Trading Days on which trades in the class were recorded immediately before:

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

#### **(c) Purpose of Funds Raised**

Funds raised from the issue of quoted Equity Securities under the 10% Placement Facility are intended to be used towards advancing existing assets and investments, the acquisition and development of new assets and investments, corporate and administration costs and working capital.

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

If Resolution 6 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, the existing Shareholders'

voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are exercised). There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of Shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100% and the voting dilution impact of such an increase. Variable "A" is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.100 (50% decrease in current issue price)	\$0.200 (Current issue price)	\$0.400 (100% increase in current issue price)
332,991,470 (Current Variable A)	Shares issued – 10% voting dilution	33,299,147		
	Funds raised	\$3,329,915	\$6,659,829	\$13,319,659
499,487,205 (50% increase in Variable A)	Shares issued – 10% voting dilution	49,948,721		
	Funds raised	\$4,994,872	\$9,989,744	\$19,979,488
665,982,940 (100% increase in Variable A)	Shares issued – 10% voting dilution	66,598,294		
	Funds raised	\$6,659,829	\$13,319,659	\$26,639,318

The table has been prepared on the following assumptions.

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options or Performance Rights (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.
- (iii) 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%.

- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting. All Shareholders should consider the dilution caused by their own shareholding depending on the specific circumstances.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (vii) The current issue price is \$0.200 being the closing price of the Shares on the ASX on 7 October 2022.
- (viii) The Company will only issue the Equity Securities during the 10% Placement Period.

(e) **Allocation Policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility.

The identity of the recipients of Equity Securities will be determined on a case-by-case basis having regard to the factors set out in the Company's allocation policy, including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The recipients under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing Substantial Holders and/or new Shareholders who are not related parties or associates of a related party of the Company.

(f) **Use of 10% Placement Facility in prior 12-months**

The Company has not previously obtained Shareholders approval for its 10% Placement Facility under Listing Rule 7.1A.

(g) **Voting Exclusion**

A voting exclusion statement is not included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

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## 9. Resolution 7 – Ratification of prior issue – Shares

### Background

As announced by the Company to ASX on 16 February 2022, the Company completed a placement of 33,888,890 Shares to professional and sophisticated investors at an issue price of \$0.18 per Share (**Placement**) (**Placement Shares**).

The Placement Shares were issued under the Company's placement capacity afforded under Listing Rule 7.1.

Resolution 7 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

### Listing Rules 7.1 and 7.4

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 approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. To this end, Resolution 7 seeks Shareholder approval to the issue of the Placement Shares for the purposes of Listing Rule 7.4.

If Resolution 7 is passed, the Placement Shares will be **excluded** in calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date.

If Resolution 7 is not passed, the Placement Shares will be **included** in calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date.

### Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the Placement Shares:

- (a) the Shares were issued to sophisticated, professional and other institutional investors clients in Australia of Canaccord Genuity and JP Equity Partners, the co-managers for the Placement. In accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the issues were:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisors of the Company or any associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;

- (b) a total of 33,888,890 Shares were issued pursuant to the Company's placement capacity under Listing Rule 7.1;
- (c) 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 16 February 2022;
- (e) the issue price was 18 cents per Share, raising \$6.1 million (before costs);
- (f) the funds raised from this issue were and are being used for the Company's Stage 2 upgrade to its Wickepin Processing facility, market development costs, working capital and research and development costs. The Company has spent approximately \$6m of the funds raised from the Placement;
- (g) the Share were not issued under an Agreement.

**Additional Information**

The Board recommends that Shareholders vote in favour of Resolution 7.

## SCHEDULE 1 - DEFINITIONS

In the Notice, words importing the singular include the plural and vice versa.

**\$** means Australian Dollars.

**Annual Report** means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2022.

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

**ASIC** means *Australian Securities and Investments Commission*.

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

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

**Board** means the 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 the ASX declares is not a business day.

**Chairperson** means the person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice.

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

- a spouse or child of the member;
- a child of the member's spouse;
- a dependent of the member or the member's spouse;
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- a company the member controls; or
- a person prescribed by the Corporations Regulations 2001 (Cth).

**Company** or **WA Kaolin** means WA Kaolin Limited ACN 083 187 017.

**Constitution** means the constitution of the Company as at the date of the Meeting.

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

**Director** means a director of the Company as at the date of this Notice.

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

**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 Memorandum** means this explanatory memorandum which forms part of the Notice.

**Financial Report** means the financial report prepared under chapter 2M of the Corporations Act of the Company and its controlled entities.

**Key Management Personnel** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, 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.

**Meeting** has the meaning given in the introductory paragraph of the Notice.

**Notice** means the notice of meeting which comprises of the notice, agenda, Explanatory Memorandum and Proxy Form.

**Officer** has the same meaning, as the context requires, given in paragraphs (a) and (b) of the definition of 'officer' of a corporation, or in paragraphs (a) and (b) of the definition of 'officer' of an entity that is neither an individual nor a corporation, in each case in section 9 of the Corporations Act.

**Option** means an option to be issued a Share.

**Plan** means the WA Kaolin Employee Equity Incentive Plan.

**Proxy Form** means the proxy form attached to the Notice.

**Remuneration Report** means the remuneration report of the Company in the Directors' Report.

**Resolution** means a resolution contained in the Notice.

**Schedule** means a schedule to this Explanatory Memorandum.

**Section** means a section of this Explanatory Memorandum.

**Share** means an ordinary share in the issued capital of the Company.

**Shareholder** means a shareholder of the Company.

**Substantial Holder** has the meaning given in the Listing Rules.

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

**WST** means Western Standard Time, being the time in Perth, Western Australia.

## SCHEDULE 2 – SUMMARY OF EMPLOYEE EQUITY INCENTIVE PLAN

<b>Awards</b>	The Equity Incentive Plan provides for the grant of options, performance rights and/or Shares issued at a price, and subject to any grant or vesting conditions, determined by the Board in its sole and absolute discretion.
<b>Eligible Persons</b>	A full time or part time employee (including an executive director) or non-executive director of the Company or an associated body corporate, an individual who is or might reasonably be expected to be engaged to work the number of hours that are the pro rata equivalent of 40% or more of a comparable full time position, or an individual or company with whom there is a contract for the provision of services under which the individual or a director or their spouse performs work where the work is or might reasonably be expected to be the number of hours that are the pro rata equivalent of 40% or more of a comparable full time position (or their nominee).
<b>Limits</b>	Where an offer is made under the Equity Incentive Plan in reliance on ASIC Class Order 14/1000 (or any amendment or replacement of it) ( <b>Class Order</b> ) the Board must, at the time of making the offer, have reasonable grounds to believe that the total number of Shares (or the total number of Shares which would be issued if the securities were exercised) will not exceed 5% of the total number of Shares on issue when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under the Equity Incentive Plan or any other employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme.
<b>Entitlements</b>	Notice of meeting, potentially dividends on unvested Shares (subject to Board determination), bonus and rights issue participation in respect of award Shares, capital reconstruction (subject to Board determination), bonus and pro rata issue adjustments and potentially early exercise in a voluntary winding up (subject to Board determination).
<b>Dealing</b>	Dealing restrictions exist other than: <ul style="list-style-type: none"> <li>(a) for award Shares, if the dealing is compliant with the terms of the Share offer and any vesting conditions; and</li> <li>(b) for award options and performance rights, if the dealing has been approved by the Board or by force of law upon the death of the participant to his/her legal representative.</li> </ul>
<b>Vesting and Exercise</b>	Awards only vest if the applicable vesting conditions are satisfied, waived by the Board or are deemed to have been satisfied under the Equity Incentive Plan. The vesting conditions are determined prior to the granting of such options, performance rights and/or Shares by the Company.  Vested options and performance rights can only be exercised during the exercise period specified in the invitation to participate in the Equity Incentive Plan. The exercise price per Share in respect of an



	option or performance right granted pursuant to the Equity Incentive Plan will be determined by the Board.
<b>Lapse</b>	Subject to the Board's discretion, if a participant resigns (other than in circumstances of redundancy, mental illness, total and permanent disability, terminal illness or death), is dismissed from office for cause or poor performance, or in another circumstance determined by the Board, unvested Shares will be forfeited, unvested options and performance rights will lapse and vested options and performance rights that have not been exercised will lapse on the date of cessation of employment or office. Similar provisions apply to breach, fraud or misconduct. Forfeiture provisions also apply to unvested Shares.
<b>Change of control</b>	<p>On the occurrence of a change of control event, the Board may in its sole and absolute discretion and subject to the ASX Listing Rules, determine how unvested Shares, options and performance rights will be treated, including but not limited to:</p> <ul style="list-style-type: none"> <li>(a) determining that all or a portion of unvested Shares, options and performance rights will vest regardless of whether or not the employment, engagement or office of the participant is terminated or ceases in connection with the change of control event; and/or</li> <li>(b) reducing or waiving vesting conditions.</li> </ul>
<b>Clawback</b>	The Board may clawback vested Shares, options and performance rights if the Board becomes aware of a material misstatement in the Company's financial statements or some other event has occurred which, as a result, which as a result means the vesting conditions were not or should not have been determined to have been satisfied.

### SCHEDULE 3 – MATERIAL TERMS AND CONDITIONS OF RELATED PARTY OPTIONS

The terms and conditions of the Options are:

- (a) The Options are issued for nil consideration.
- (b) Each Option entitles the holder to subscribe for one fully paid ordinary share (**Share**) in WA Kaolin Limited (**Company**) upon the payment of the exercise price.
- (c) The exercise price of the Options is \$0.35 each.
- (d) The Options will expire at 5.00pm (AWST) 5 years from the date of issue.
- (e) The Options will not be quoted and are not transferable.
- (f) There are no participating rights or entitlements inherent in the Options and the Optionholders will not be entitled to participate in new issues of capital offered to holders of Shares in the Company (**Shareholders**) during the currency of the Options. Thereby, the holder has no rights to a change in the exercise price of the Options or a change to the number of underlying securities over which the Options can be exercised, except in the event of a Bonus Issue (defined below). The Company will ensure, for the purposes of determining entitlements to any issue, that the Optionholder is notified of a proposed issue after it is announced. This will give the Optionholder the opportunity to exercise the Options prior to the date for determining entitlements to participate in any such issue.
- (g) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the ASX Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (h) The Options shall be exercisable at any time before the expiry date (**Exercise Period**) by the delivery to the registered office of the Company of a notice in writing (**Notice**) stating the intention of the Optionholder to exercise all or a specified number of Options held by them accompanied by an Option certificate and a cheque or electronic funds transfer for the subscription monies for the Shares. The Notice and subscription monies must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Optionholder to the balance of the Options held by the Optionholder.
- (i) The Company shall issue the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
- (j) The Shares issued shall rank, from the date of issue, equally with the existing ordinary Shares of the Company in all respects.
- (k) If on or prior to the expiry date the Company makes a bonus issue of securities to Shareholders (**Bonus Issue**), the number of Shares over which an Option is exercisable will be increased in accordance with the ASX Listing Rules.
- (l) If there is a pro rata issue (other than a Bonus Issue) to the holders of Shares during the currency of, and prior to the exercise of any Options, the exercise

price of an Option will be reduced according to the formula provided for in the ASX Listing Rules (whether or not the Company is listed on the ASX at the time).

- (m) The Options will not give any right to participate in dividends until Shares are issued pursuant to the exercise of the relevant Options.

#### Schedule 4 – Related Party Option Valuation

Using the Black & Scholes option pricing model and based on the assumptions set out below, the Options were ascribed the following value:

<b>Assumptions:</b>	
Valuation date	11 October 2022
Market price of Shares	\$0.195
Exercise price	\$0.35
Expiry date (length of time from issue)	5 years from date of issue
Risk free interest rate	3.494%
Volatility (discount)	42%
Indicative Value per Related Party Option	\$0.049
<b>Total Value of Options:</b>	<b><u>\$73,500</u></b>
Patrick Walta	\$73,500

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

Holder Number:

Your proxy voting instruction must be received by **2.30pm (WST) on Wednesday, 16 November 2022**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

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

### YOUR NAME AND ADDRESS

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

### STEP 1 – APPOINT A PROXY

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

### DEFAULT TO THE CHAIR OF THE MEETING

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

### STEP 2 - VOTES ON ITEMS OF BUSINESS

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

### APPOINTMENT OF SECOND PROXY

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

### SIGNING INSTRUCTIONS

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

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

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

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

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

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

### CORPORATE REPRESENTATIVES

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

### Lodging your Proxy Voting Form:

#### Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

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



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

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