



ORBITAL CORPORATION LIMITED

ACN 009 344 058

NOTICE OF GENERAL MEETING

A general meeting of the Company will be held at 4 Whipple Street, Balcatta, Western Australia on Friday, 13 January 2023 at 10:00am (AWST).

The Company advises Shareholders that the Meeting will be held in compliance with any restrictions on public gatherings in Australia.

The Company encourages all Shareholders to vote by directed proxy rather than attend the Meeting in person. Proxy Forms for the Meeting should be lodged before 10:00 am (AWST) on 11 January 2023.

Shareholders can also submit, and are encouraged to submit, any questions in advance of the Meeting by emailing the questions to the Share Registry by no later than 5:00pm (AWST) on 9 January 2023.

If the above arrangements with respect to the Meeting change, Shareholders will be updated via the ASX Market Announcements Platform.

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 accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company's Share Registry by telephone on +61 1300 554 474.

ORBITAL CORPORATION LIMITED

ACN 009 344 058

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Orbital Corporation Limited ACN 009 344 058 (**Company**) will be held at 4 Whipple Street, Balcatta, Western Australia, 6021 on Friday, 13 January 2023 at 10:00am (AWST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice. We recommend Shareholders read the Explanatory Memorandum in relation to the proposed Resolutions.

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 Wednesday, 11 January 2023 at 4:00pm (AWST).

The Company advises that a poll will be conducted for the Resolutions.

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

AGENDA

1. Resolution 1 – Ratification of Tranche 1 Placement Shares issued under Listing Rule 7.1

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

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the prior issue by the Company of 12,500,000 Shares (at an issue price of \$0.20 per Share) pursuant to the Tranche 1 Placement, as detailed in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue of Shares pursuant to the Tranche 1 Placement (such as Evolution Capital and a relevant First Sentier Group entity (and/or their nominee(s))) or an associate of that person or those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chairperson 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 Chairperson to vote on the Resolution as the Chairperson 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 this Resolution; and

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

2. Resolution 2 – Issue of Tranche 1 Placement Options

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

"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders authorise and approve the issue of 6,250,000 Options pursuant to the Tranche 1 Placement, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in (including persons who received Tranche 1 Placement Shares, such as Evolution Capital and a relevant First Sentier Group entity (and/or their nominee(s))), or who will obtain a material benefit as a result of, the proposed 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.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chairperson 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 Chairperson to vote on the Resolution as the Chairperson 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 this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3. Resolution 3 – Issue of Shares and Options to institutional and sophisticated investors under the Tranche 2 Placement

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

"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders authorise and approve the issue of up to 3,809,540 Shares (at an issue price of \$0.20 per Share) and 1,904,770 Options pursuant to the Tranche 2 Placement, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in (including Evolution Capital and a relevant First Sentier Group entity (and/or their nominee(s))), or who will obtain a material benefit as a result of, the proposed 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.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chairperson 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 Chairperson to vote on the Resolution as the Chairperson 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 this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

4. Resolution 4 – Issue of Shares and Options to UIL Limited (and/or its nominee(s)) under the Tranche 2 Placement

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

"That, pursuant to and in accordance with Listing Rules 7.1 and 10.11 and for all other purposes, Shareholders authorise and approve the issue of up to 7,490,460 Shares (at an issue price of \$0.20 per Share) and 3,745,230 Options to UIL Limited (and/or its nominee(s)) pursuant to the Tranche 2 Placement, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of UIL Limited (and/or its nominee(s)) and any other person who will obtain a material benefit as a result of the proposed issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of UIL Limited or of any of the other abovementioned persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chairperson 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 Chairperson to vote on the Resolution as the Chairperson 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 this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5. Resolution 5 – Issue of Shares and Options to Mr John Welborn (and/or his nominee(s)) under the Tranche 2 Placement

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

"That, pursuant to and in accordance with Listing Rules 7.1 and 10.11 and for all other purposes, Shareholders authorise and approve the issue of up to 1,000,000 Shares (at an issue price of \$0.20 per Share) and 500,000 Options to Mr John Welborn (and/or his nominee(s)) pursuant to the Tranche 2 Placement, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr John Welborn (and/or his nominee(s)) and any other person who will obtain a material benefit as a result of the proposed issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of Mr John Welborn or of any of the other abovementioned persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chairperson 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 Chairperson to vote on the Resolution as the Chairperson 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 this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Chair in relation to this Resolution 5 will not be Mr John Welborn.

6. Resolution 6 – Issue of Shares and Options to Mr Todd Alder (and/or his nominee(s)) under the Tranche 2 Placement

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

"That, pursuant to and in accordance with Listing Rules 7.1 and 10.11 and for all other purposes, Shareholders authorise and approve the issue of up to 50,000 Shares (at an issue price of \$0.20 per Share) and 25,000 Options to Mr Todd Alder (and/or his nominee(s)) pursuant to the Tranche 2 Placement, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Todd Alder (and/or his nominee(s)) and any other person who will obtain a material benefit as a result of the proposed issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of Mr Todd Alder or of any of the other abovementioned persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chairperson 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 Chairperson to vote on the Resolution as the Chairperson 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 this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

7. Resolution 7 – Issue of Shares and Options to Mr Kyle Abbott (and/or his nominee(s)) under the Tranche 2 Placement

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

"That, pursuant to and in accordance with Listing Rules 7.1 and 10.11 and for all other purposes, Shareholders authorise and approve the issue of up to 50,000 Shares (at an issue price of \$0.20 per Share) and 25,000 Options to Mr Kyle Abbott (and/or his nominee(s)) pursuant to the Tranche 2 Placement, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Kyle Abbott (and/or his nominee(s)) and any other person who will obtain a material benefit as a result of the proposed issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of Mr Kyle Abbott or of any of the other abovementioned persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chairperson 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 Chairperson to vote on the Resolution as the Chairperson 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 this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

8. Resolution 8 – Issue of Shares and Options to Mr Steve Gallagher (and/or his nominee(s)) under the Tranche 2 Placement

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

"That, pursuant to and in accordance with Listing Rules 7.1 and 10.11 and for all other purposes, Shareholders authorise and approve the issue of up to 100,000 Shares (at an issue price of \$0.20 per Share) and 50,000 Options to Mr Steve Gallagher (and/or his nominee(s)) pursuant to the Tranche 2 Placement, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Steve Gallagher (and/or his nominee(s)) and any other person who will obtain a material benefit as a result of the proposed issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of Mr Steve Gallagher or of any of the other abovementioned persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chairperson 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 Chairperson to vote on the Resolution as the Chairperson 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 this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

9. Resolution 9 – Issue of Lead Manager Options to Evolution Capital (and/or its nominee(s))

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

"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders authorise and approve the issue of 5,000,000 Options to Evolution Capital (and/or its nominee(s)) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Evolution Capital (and/or its nominee(s)) and any other person who will obtain a material benefit as a result of the proposed issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of Evolution Capital or of any of the other abovementioned persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chairperson 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 Chairperson to vote on the Resolution as the Chairperson 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 this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

10. Resolution 10 – Approval of Termination Benefits

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 Part 2D.2 of the Corporations Act (including sections 200B and 200E of the Corporations Act), Listing Rule 10.19 and for all other purposes, Shareholders approve the giving of benefits detailed in the Explanatory Memorandum to any person (excluding non-executive Directors) who from time to time is or has been a member of the Key Management Personnel or holds or has held a managerial or executive office in the Company or a related body corporate (**Relevant Personnel**), in connection with that person ceasing to hold that managerial or executive office. This approval applies for such benefits given in the period prior to the conclusion of the third annual general meeting of the Company after the date on which this Resolution 10 is passed."*

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of an officer of the Company or any of its child entities (as defined in the Listing Rules) who is entitled to participate in a termination benefit or an associate of that person or those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chairperson 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 Chairperson to vote on the Resolution as the Chairperson 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 this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibitions

Any Shareholder who is:

- (a) Relevant Personnel (as detailed in this Resolution 10) or may become Relevant Personnel in the future; or
- (b) an associate of Relevant Personnel or of a person who may become Relevant Personnel in the future,

and wishes to preserve the benefit of this Resolution 10 for that Relevant Personnel (or potential Relevant Personnel), must not vote on this Resolution. However, the Shareholder may cast a vote if the vote is cast as a proxy appointed by writing that specifies how the proxy is to vote on this Resolution and it is not cast on behalf of any person listed in (a) or (b) immediately above.

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

Dated: 6 December 2022
By order of the Board



Thomas Spencer
Company Secretary

ORBITAL CORPORATION LIMITED

ACN 009 344 058

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting.

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 in deciding whether or not to pass the Resolutions.

This Explanatory Memorandum does not take into account the individual investment objectives, financial situation and needs of individual Shareholders or any other person. Accordingly, it should not be relied on solely in determining how to vote on the Resolutions and Shareholders should seek their own financial or legal advice.

Certain statements in this Explanatory Memorandum relate to the future. These statements reflect views only as of the date of this Explanatory Memorandum. While the Company believes that the expectations reflected in the forward looking statements are reasonable, neither the Company nor any other person gives any representation, assurance or guarantee that the occurrence of an event expressed or implied in any forward looking statements in this Explanatory Memorandum will actually occur.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Background
Section 4	Resolution 1 – Ratification of Tranche 1 Placement Shares issued under Listing Rule 7.1
Section 5	Resolution 2 – Issue of Tranche 1 Placement Options
Section 6	Resolution 3 – Issue of Shares and Options to institutional and sophisticated investors under the Tranche 2 Placement
Section 7	Resolution 4 – Issue of Shares and Options to UIL Limited (and/or its nominee(s)) under the Tranche 2 Placement
Section 8	Resolutions 5, 6, 7, and 8 – Issue of Shares and Options to Directors (and/or their nominee(s)) under the Tranche 2 Placement
Section 9	Resolution 9 – Issue of Lead Manager Options to Evolution Capital (and/or its nominee(s))
Section 10	Resolution 10 – Approval of Termination Benefits
Schedule 1	Definitions

Schedule 2	Terms and Conditions of Options
Schedule 3	Summary of Employee Incentive Plan

A Proxy Form is enclosed with the Notice.

2. Action to be taken by Shareholders

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

2.1 Proxies

A Proxy Form is enclosed with this 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 vote at the Meeting either in person or, if they are unable to attend in person, to sign and return the Proxy Form to the Company in accordance with the instructions on the Proxy Form. 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 up to 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.

If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that body corporate's representative. The authority may be sent to the Company or its Share Registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

Proxy Forms must be received by the Company no later than 10:00 am (AWST) on Wednesday, 11 January 2023, being at least 48 hours before the Meeting. Proxy Forms received later than this time will be invalid.

You can lodge your Proxy Form with the Company by:

- (a) **Online:** at <https://investorcentre.linkgroup.com>.
- (b) **Mail:** to Orbital Corporation Limited C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235, Australia.
- (c) **Delivery:** to Link Market Services Limited, Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150, Australia.
- (d) **Facsimile:** +61 2 9287 0309.

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

2.2 Undirected proxies

Any proxy given to:

- (a) a member of the Key Management Personnel, other than the Chairperson; or
- (b) their Closely Related Parties,

for Resolution 10 will not be counted unless Shareholders specify how the proxy is to vote.

Any undirected proxy given to the Chairperson for Resolution 10 by a Shareholder entitled to vote on Resolution 10 will be voted by the Chairperson in favour of that Resolution, in accordance with the express authorisation on the Proxy Form (even though Resolution 10 is connected directly or indirectly with the remuneration of members of Key Management Personnel). The Chairperson intends to vote all valid undirected proxies for all Resolutions in favour of those Resolutions.

2.3 Attendance at the Meeting

The Company advises Shareholders that the Meeting will be held in compliance with any government restriction on gatherings in Western Australia.

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

3. Background

3.1 Placement

On 16 November 2022, the Company announced that it had received firm commitments for a placement of new Shares to raise \$5 million (before costs) at \$0.20 per Share to be issued by the Company together with one free attaching Option for every two Shares issued under the Placement, exercisable at \$0.35 per Option and expiring three years from the date of issue (**Placement**). The Placement is divided into two equal tranches.

The first tranche of the Placement is comprised of 12,500,000 Shares, which were issued on 23 November 2022 (utilising part of the Company's placement capacity pursuant to Listing Rule 7.1), and, subject to Shareholder approval (which is being sought pursuant to this Notice), the proposed issue of 6,250,000 Options (**Tranche 1 Placement**).

Subject to Shareholder approval (which is being sought pursuant to this Notice), a further 12,500,000 Shares and 6,250,000 Options will be issued to certain Directors of the Company (and/or their nominee(s)), the Company's largest shareholder, UIL Limited, (and/or its nominee(s)) and other institutional and sophisticated investors, together comprising the second tranche of the Placement (**Tranche 2 Placement**).

The investors who have participated, or will be participating in, the Placement include various institutional and sophisticated investors identified by the lead manager for the Placement, Evolution Capital Pty Ltd (ACN 652 397 263) (**Evolution Capital**). Evolution Capital (or its nominees) subscribed for 1,513,413 Shares pursuant to the Tranche 1 Placement and, are proposed to be issued 2,417,953 Shares pursuant to the Tranche 2 Placement and a total of 1,965,683 Options pursuant to the Tranche 1 Placement and Tranche 2 Placement.

Under the Tranche 2 Placement, the Directors of the Company propose to subscribe for, in aggregate, 1,200,000 Shares (**Director Shares**) and 600,000 free attaching Options (**Director Options**). Resolutions 5 to 8 (inclusive) seek Shareholder approval for the Directors (and/or their nominee(s)) to participate in the Tranche 2 Placement.

UIL Limited has committed to invest \$1,498,092 under the Tranche 2 Placement, comprising their subscription for 7,490,460 Shares (**UIL Shares**) and 3,745,230 free attaching Options (**UIL Options**). The issue of UIL Shares and UIL Options to UIL Limited (and/or its nominee(s)) is subject to Shareholder approval and any approval required by the Foreign Investment Review Board (**FIRB**). Please refer to Resolution 4. If the UIL Shares are issued, UIL Limited would (subject to any further changes in the Company's capital structure or UIL Limited's

interests, and assuming the UIL Options are not exercised) hold a Relevant Interest in approximately 30% of the Shares upon completion of the Tranche 2 Placement. If the UIL Shares and UIL Options are issued and UIL Limited exercises the UIL Options into Shares (but assuming there are no further changes in the Company's capital structure or UIL Limited's interests) UIL Limited would hold a Relevant Interest in approximately 32.1% of the Shares upon completion of the Tranche 2 Placement and completion of the exercise of the UIL Options.

In addition, the First Sentier Group, being existing substantial holders in the Company, have invested (via Citicorp Nominees Pty Limited) \$278,317.40 under the Tranche 1 Placement, comprising 1,391,587 Shares and are proposed to be issued (or for their nominee(s) to be issued) 1,391,587 Shares pursuant to the Tranche 2 Placement and 1,391,587 free attaching Options pursuant to the Tranche 1 Placement and Tranche 2 Placement.

Refer to the Company's ASX announcements on, and after, 16 November 2022 for further details of the Placement.

Resolutions 1 to 8 (inclusive) seek the Shareholders' ratification or approval (as applicable) of the issue or proposed issue of Shares and Options pursuant to the Placement. Each of those Resolutions concerns a different component of the Placement.

3.2 Indicative Use of Funds

The Placement is being undertaken to fund:

- (a) UAV engine development programs; and
- (b) general working capital and corporate costs requirements.

The Company's Board reserves the right to reallocate funds for alternative purposes, as may be deemed necessary by the Board.

3.3 Resolutions are not inter-conditional

None of the Resolutions are conditional upon any other Resolution being passed. To the extent any of the Resolutions is not passed, subject to compliance with applicable laws and the Listing Rules, the Board reserves its discretion to issue the Securities the subject of such Resolution, including pursuant to the Company's placement capacities available at the time under Listing Rule 7.1 and/or 7.1A. The Board also reserves its discretion to utilise those placement capacities for other purposes, as permitted by the Listing Rules.

4. Resolution 1 – Ratification of Tranche 1 Placement Shares issued under Listing Rule 7.1

4.1 Background

As detailed in Section 3.1, the Company has issued 12,500,000 Shares at an issue price of \$0.20 per Share under the Tranche 1 Placement (**Tranche 1 Placement Shares**). Refer to Section 3.1 for further details of the Placement.

All 12,500,000 Tranche 1 Placement Shares were issued on 23 November 2022 without Shareholder approval pursuant to the Company's placement capacity under Listing Rule 7.1.

Resolution 1 seeks Shareholder ratification and approval pursuant to Listing Rule 7.4 (and for all other purposes) of the issue of the 12,500,000 Tranche 1 Placement Shares (pursuant to the Company's capacity under Listing Rule 7.1).

Resolution 1 is an ordinary resolution.

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

4.2 Listing Rule 7.1

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

The issue of the Tranche 1 Placement Shares does not fall within any of these exceptions, and, as it has not yet been approved by Shareholders, it effectively uses up the majority of the Company's 15% Placement Capacity in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following 23 November 2022.

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

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. To this end, Resolution 1 seeks Shareholder ratification and approval for the Tranche 1 Placement Shares under and for the purposes of Listing Rule 7.4 (and for all other purposes).

If Resolution 1 is passed, the issue of the Tranche 1 Placement Shares will be excluded in calculating the Company's 15% Placement Capacity in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following 23 November 2022.

If Resolution 1 is not passed, the Tranche 1 Placement Shares will be included in calculating the Company's 15% Placement Capacity in Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following 23 November 2022.

4.3 Specific information required by Listing Rule 7.5

The following information in relation to Resolution 1 is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 12,500,000 Tranche 1 Placement Shares were issued to institutional and sophisticated investors as detailed in Section 3. None of the recipients were related parties of the Company or any of their associates. Refer to Section 3.1 for further details.
- (b) The Tranche 1 Placement Shares comprised of the issue of 12,500,000 Shares pursuant to the Company's placement capacity under Listing Rule 7.1, ratification of which is sought pursuant to Resolution 1.
- (c) The Tranche 1 Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Tranche 1 Placement Shares were issued in consideration for an issue price of \$0.20 per Share, raising a total of \$2.5 million (before costs).
- (e) The Tranche 1 Placement Shares were issued on 23 November 2022.
- (f) Funds raised from the issue of the Tranche 1 Placement Shares will be used as detailed in Section 3.2.
- (g) A voting exclusion statement is included in the Notice for Resolution 1.

4.4 Board recommendation

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

5. Resolution 2 – Issue of Tranche 1 Placement Options

5.1 Background

Resolution 2 seeks Shareholder approval pursuant to and in accordance with Listing Rule 7.1 (and for all other purposes) to issue 6,250,000 Options to investors who have been issued Tranche 1 Placement Shares under the Placement (**Tranche 1 Placement Options**). The Tranche 1 Placement Options are free attaching on the basis of one Tranche 1 Placement Option for every two Tranche 1 Placement Shares issued under the Tranche 1 Placement.

Refer to Section 3.1 for further details of the Placement.

Resolution 2 is an ordinary resolution.

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

5.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is contained in Section 4.2.

The issue of the Tranche 1 Placement Options does not fall within any of the exceptions to Listing Rule 7.1 (and it exceeds the 15% Placement Capacity) and is conditional upon Shareholder approval (which is being sought pursuant to Resolution 2).

Resolution 2 seeks Shareholder approval for the issue of 6,250,000 Tranche 1 Placement Options under and for the purposes of Listing Rule 7.1 (and for all other purposes).

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Tranche 1 Placement Options (and Shares issued on exercise of the Tranche 1 Placement Options) without using any of the Company's 15% Placement Capacity. In addition, the issue of the Tranche 1 Placement Options (and Shares issued on exercise of the Tranche 1 Placement Options) will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 2 is not passed, the issue of the Tranche 1 Placement Options will only proceed to the extent that the Company has the available placement capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1. If the Company does not have the available placement capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1, the issue of the Tranche 1 Placement Options will not be able to proceed.

5.3 Specific information required by Listing Rule 7.3

The following information in relation to Resolution 2 is provided to Shareholders for the purposes of Listing Rule 7.3:

- (a) The Tranche 1 Placement Options will be issued to the same parties who acquired the Tranche 1 Placement Shares (on the basis of one Tranche 1 Placement Option for every two Tranche 1 Placement Shares issued). None of the participants in the Tranche 1 Placement are related parties of the Company. Refer to Section 3.1 for further details.
- (b) The maximum number of Tranche 1 Placement Options the Company may issue under the Tranche 1 Placement is 6,250,000 Tranche 1 Placement Options.
- (c) The Tranche 1 Placement Options have an exercise price of \$0.35 each and will expire three years from the date of issue. The terms and conditions of the Options are detailed in Schedule 2 of this Notice. The Shares to be issued on exercise of the

Tranche 1 Placement Options will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.

- (d) The Tranche 1 Placement Options will be issued no later than three months following the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (e) The Tranche 1 Placement Options will be issued for nil cash consideration, as they are free attaching on the basis of one free attaching Tranche 1 Placement Option for every two Tranche 1 Placement Shares issued.
- (f) No funds will be raised by the issue of the Tranche 1 Placement Options, as they are free attaching on the basis of one free attaching Tranche 1 Placement Option for every two Tranche 1 Placement Shares issued.
- (g) A voting exclusion is included in the Notice for Resolution 2.

5.4 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 2.

6. Resolution 3 – Issue of Shares and Options to institutional and sophisticated investors under the Tranche 2 Placement

6.1 Background

Resolution 3 seeks Shareholder approval pursuant to and in accordance with Listing Rule 7.1 (and for all other purposes) to issue up to 3,809,540 of the Shares and up to 1,904,770 of the Options pursuant to the Tranche 2 Placement, to institutional and sophisticated investors who are not the subject of any of the other Resolutions concerning the Tranche 2 Placement. Those Shares will be offered at the same issue price as the Tranche 1 Placement Shares (being \$0.20 per Share), to raise up to \$761,908 (before costs). Those Options will be free attaching to the Shares on the basis of one free attaching Option for every two Shares issued.

Refer to Section 3.1 for further details of the Placement.

Resolution 3 is an ordinary resolution.

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

6.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is contained in Section 4.2.

The issue of the Shares and Options pursuant to Resolution 3 does not fall within any of the exceptions to Listing Rule 7.1 (and it exceeds the 15% Placement Capacity) and is conditional upon Shareholder approval (which is being sought pursuant to Resolution 3).

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Shares and Options pursuant to Resolution 3 (and Shares issued on exercise of those Options) without using any of the Company's 15% Placement Capacity. In addition, the issue of those Shares and Options (and Shares issued on exercise of those Options) will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the issue of the Shares and Options pursuant to Resolution 3 will only proceed to the extent that the Company has the available placement capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1. If the Company does not have the available placement capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1, the issue of the Shares and Options pursuant to Resolution 3 will not be able to proceed.

6.3 Specific information required by Listing Rule 7.3

The following information in relation to Resolution 3 is provided to Shareholders for the purposes of Listing Rule 7.3:

- (a) The Shares and Options pursuant to Resolution 3 will be issued to sophisticated and professional investors (who are not related parties of the Company), comprising First Sentier Group, who are existing substantial holders in the Company, (and/or their nominees) and Evolution Capital (and/or their nominees). Refer to Section 3.1 for further details.
- (b) The maximum number of Securities that the Company may issue to investors under Resolution 3 is 3,809,540 of the Shares and 1,904,770 of the Options as part of the Tranche 2 Placement.
- (c) The Options have an exercise price of \$0.35 each and will expire three years from the date of issue. The terms and conditions of the Options are detailed in Schedule 2 of this Notice. The Shares to be issued pursuant to Resolution 3 (and Shares to be issued on exercise of the Options to be issued pursuant to Resolution 3) will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (d) The Shares will have an issue price of \$0.20 per Share, raising a total of \$761,908. The Options will be issued for nil cash consideration, as they are free attaching on the basis of one free attaching Option for every two Shares to be issued pursuant to Resolution 3.
- (e) The Shares and Options pursuant to Resolution 3 will be issued no later than three months following the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (f) Funds raised from the issue of the Shares pursuant to Resolution 3 will be used as detailed in Section 3.2. No funds will be raised by the issue of the Options pursuant to Resolution 3.
- (g) A voting exclusion statement is included in the Notice for Resolution 3.

6.4 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 3.

7. Resolution 4 – Issue of Shares and Options to UIL Limited (and/or its nominee(s)) under the Tranche 2 Placement

7.1 Background

Resolution 4 seeks Shareholder approval pursuant to and in accordance with Listing Rules 7.1 and 10.11 (and for all other purposes) to issue up to 7,490,460 UIL Shares and up to 3,745,230 UIL Options to UIL Limited (and/or its nominee(s)) under the Tranche 2 Placement, (together, the **UIL Securities**). The UIL Shares will be offered at the same issue price as the Shares under the remainder of the Placement (being \$0.20 per Share), to raise up to \$1,498,092 (before costs).

Refer to Section 3.1 for further details of the Placement.

UIL Limited is a party falling within Listing Rule 10.11, because UIL Limited was, at any time in the last six months, a substantial holder of 30% or more in the Company.

The issue of the UIL Securities does not fall within any of the exceptions to Listing Rules 7.1 or 10.11 (and it exceeds the 15% Placement Capacity) and is conditional upon both Shareholder approval (which is being sought pursuant to Resolution 4) and FIRB approval.

If Resolution 4 is passed, the Company will (subject to any approval required from FIRB) be

able to proceed with the issue of the UIL Securities (and Shares issued on exercise of the UIL Options) without using any of the Company's 15% Placement Capacity. In addition, the issue of the UIL Securities (and Shares issued on exercise of the UIL Options) will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 4 is passed, FIRB approval is received and the UIL Securities are issued to UIL Limited, UIL Limited's Relevant Interest in Shares would increase from approximately 26.4% of all Shares to approximately 30% of all Shares on an undiluted basis (which would increase to approximately 32.1% of all Shares if the UIL Options are exercised into Shares), excluding the impact of any other issues of Securities in the Company or other acquisitions or disposals of Relevant Interest by UIL Limited or its associates.

If Resolution 4 is not passed, the issue of the UIL Securities will not proceed, meaning that the Company will not be able to raise funds pursuant to the issue of the UIL Securities and may seek to raise them from alternate investors.

Resolution 4 is an ordinary resolution.

The Chairperson intends to exercise all available undirected proxies in favour of Resolution 4.

7.2 Listing Rule 10.11

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

- (a) a related party;
- (b) a person who is, or was at any time in the six months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) a person who is, or was at any time in the six months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an associate of a person referred to in (a) to (c); or
- (e) a person whose relationship with the company or a person referred to in (a) to (d) is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains shareholder approval.

The issue of the UIL Securities to UIL Limited falls within paragraph (b) above, as UIL Limited has been a substantial (30%+) holder in the Company during the last six months, and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

Resolution 4 seeks the required Shareholder approval to issue the UIL Securities under the Tranche 2 Placement to UIL Limited (and/or its nominee(s)) under and for the purposes of Listing Rules 7.1 and 10.11 (and for all other purposes).

7.3 Listing Rule 7.1

A summary of Listing Rule 7.1 is contained in Section 4.2. The reason why Listing Rule 7.1 approval is being sought in addition to Listing Rule 10.11 approval is that (notwithstanding the application of Listing Rule 7.2 Exception 14 to issues approved under Listing Rule 10.11), approval under Listing Rule 7.1 is required in order for any Shares to be issued upon exercise of the UIL Options within the twelve months after their issue to immediately count towards the baseline (Variable "A") from which the 15% Placement Capacity is calculated. Consequently, by also seeking Shareholder approval under Listing Rule 7.1, if Resolution 4 is passed those

Shares would expand the available 15% Placement Capacity.

7.4 Specific information required by Listing Rules 10.13 and 7.3

The following information in relation to Resolution 4 is provided to Shareholders for the purposes of obtaining Shareholder approval:

- (a) The UIL Securities are proposed to be issued under the Tranche 2 Placement to UIL Limited (and/or its nominee(s)).
- (b) UIL Limited falls within Listing Rule 10.11.2, as UIL Limited has been a substantial (30%+) holder in the Company during the last six months.
- (c) The maximum number of UIL Securities that the Company may issue to UIL Limited (and/or its nominee(s)) under the Tranche 2 Placement is 7,490,460 UIL Shares and 3,745,230 UIL Options.
- (d) The UIL Options have an exercise price of \$0.35 each and will expire three years from the date of issue. The terms and conditions of the UIL Options are detailed in Schedule 2 of this Notice. The UIL Shares (and Shares to be issued on exercise of the UIL Options) will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (e) The UIL Securities will be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (f) The UIL Shares will have an issue price of \$0.20 per Share, raising a total of \$1,498,092. The UIL Options will be issued for nil cash consideration, as they are free attaching on the basis of one free attaching UIL Option for every two UIL Shares to be issued.
- (g) Funds raised from the issue of the UIL Shares to UIL Limited (and/or its nominee(s)) will be used as detailed in Section 3.2. No funds will be raised by the issue of the UIL Options, as they are free attaching on the basis of one free attaching UIL Option for every two UIL Shares to be issued.
- (h) A voting exclusion statement is included in the Notice for Resolution 4.
- (i) Other than the information above and otherwise detailed in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 4.

7.5 Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 4.

8. Resolutions 5, 6, 7 and 8 – Issue of Shares and Options to Directors (and/or their nominee(s)) under the Tranche 2 Placement

8.1 General

Resolutions 5, 6, 7 and 8 seek Shareholder approval pursuant to and in accordance with Listing Rules 7.1 and 10.11 (and for all other purposes) to issue (in aggregate) 1,200,000 Director Shares and 600,000 Director Options to the Directors, being Messrs Welborn, Alder, Abbott and Gallagher, (and/or their nominee(s)) under the Tranche 2 Placement. The Director Shares will be offered at the same issue price as the Shares under the Placement (being \$0.20 per Share), to raise \$240,000 (before costs).

The Company is proposing to issue:

- (a) 1,000,000 Director Shares and 500,000 Director Options to Mr John Welborn (and/or his nominee(s)) pursuant to Resolution 5;
- (b) 50,000 Director Shares and 25,000 Director Options to Mr Todd Alder (and/or his nominee(s)) pursuant to Resolution 6;
- (c) 50,000 Director Shares and 25,000 Director Options to Mr Kyle Abbott (and/or his nominee(s)) pursuant to Resolution 7; and
- (d) 100,000 Director Shares and 50,000 Director Options to Mr Steve Gallagher (and/or his nominee(s)) pursuant to Resolution 8.

In accordance with Listing Rule 10.11, Shareholder approval is required for the issue of Securities to a related party. Messrs Welborn, Alder, Abbott and Gallagher are each Directors and therefore are related parties of the Company.

The issues of the Director Shares and Director Options do not fall within any of the exceptions to Listing Rules 7.1 or 10.11 (and they exceed the 15% Placement Capacity) and those issues are conditional upon Shareholder approval (which is being sought pursuant to Resolutions 5, 6, 7 and 8).

Resolutions 5, 6, 7 and 8 are ordinary resolutions.

The Chairperson intends to exercise all available undirected proxies in favour of Resolutions 5, 6, 7 and 8.

8.2 Section 208 of the Corporations Act

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

The Board considers that Shareholder approval under section 208 of the Corporations Act is not required as the exception in section 210 of the Corporations Act applies. The Director Shares and Director Options will be issued to Messrs Welborn, Alder, Abbott and Gallagher (and/or their respective nominee(s)) on the same terms as non-related party participants in the Placement and, as such, the giving of the financial benefit to Messrs Welborn, Alder, Abbott and Gallagher (and/or their respective nominee(s)) will be on arm's length terms.

8.3 Listing Rule 10.11

A summary of Listing Rule 10.11 is detailed in Section 7.2.

The issue of Director Shares and Director Options to Messrs Welborn, Alder, Abbott and Gallagher (and/or their nominee(s)) falls within Listing Rule 10.11.1, as Messrs Welborn, Alder, Abbott and Gallagher are related parties to the Company, and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

Resolution 5 seeks the required Shareholder approval to issue 1,000,000 Director Shares and 500,000 Director Options to Mr John Welborn (and/or his nominee(s)) under and for the purposes of Listing Rules 7.1 and 10.11 (and for all other purposes).

Resolution 6 seeks the required Shareholder approval to issue 50,000 Director Shares and 25,000 Director Options to Mr Todd Alder (and/or his nominee(s)) under and for the purposes of Listing Rules 7.1 and 10.11 (and for all other purposes).

Resolution 7 seeks the required Shareholder approval to issue 50,000 Director Shares and 25,000 Director Options to Mr Kyle Abbott (and/or his nominee(s)) under and for the purposes of Listing Rules 7.1 and 10.11 (and for all other purposes).

Resolution 8 seeks the required Shareholder approval to issue 100,000 Director Shares and 50,000 Director Options to Mr Steve Gallagher (and/or his nominee(s)) under and for the

purposes of Listing Rules 7.1 and 10.11 (and for all other purposes).

To the extent Resolution 5, 6, 7 or 8 is passed, the Company will be able to proceed with the issue of the relevant Director Shares and Director Options to the relevant Director (and/or his nominee(s)) without using any of the Company's 15% Placement Capacity. In addition, the issue of the relevant Director Shares and Director Options (and Shares issued on exercise of the relevant Director Options) will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

To the extent Resolution 5, 6, 7 or 8 is not passed, the Company will not be able to proceed with the issue of the relevant Director Shares and Director Options to the relevant Director (and/or his nominee(s)), and the Company will not be able to raise funds from issuing Director Shares to that Director and may seek to raise them from alternate investors.

8.4 Listing Rule 7.1

A summary of Listing Rule 7.1 is contained in Section 4.2. The reason why Listing Rule 7.1 approval is being sought in addition to Listing Rule 10.11 approval is that (notwithstanding the application of Listing Rule 7.2 Exception 14 to issues approved under Listing Rule 10.11), approval under Listing Rule 7.1 is required in order for any Shares to be issued upon exercise of the Director Options within the twelve months after their issue to immediately count towards the baseline (Variable "A") from which the 15% Placement Capacity is calculated. Consequently, by also seeking Shareholder approval under Listing Rule 7.1, if Resolution 5, 6, 7 or 8 is passed those Shares would expand the available 15% Placement Capacity.

8.5 Specific information required by Listing Rules 7.3 and 10.13 – Director Shares and Director Options

The following information in relation to Resolutions 5, 6, 7 and 8 is provided to Shareholders for the purposes of obtaining Shareholder approval:

- (a) The Director Shares and Director Options under the Tranche 2 Placement will be issued to:
 - (i) Mr John Welborn (and/or his nominee(s));
 - (ii) Mr Todd Alder (and/or his nominee(s));
 - (iii) Mr Kyle Abbott (and/or his nominee(s)); and
 - (iv) Mr Steve Gallagher (and/or his nominee(s)).
- (b) Messrs Welborn, Alder, Abbott and Gallagher fall within Listing Rule 10.11.1 as they are Directors and therefore related parties of the Company.
- (c) The maximum number of Director Shares and Director Options to be issued to:
 - (i) Mr John Welborn (and/or his nominee(s)) is 1,000,000 Director Shares and 500,000 Director Options pursuant to Resolution 5;
 - (ii) Mr Todd Alder (and/or his nominee(s)) is 50,000 Director Shares and 25,000 Director Options pursuant to Resolution 6;
 - (iii) Mr Kyle Abbott (and/or his nominee(s)) is 50,000 Director Shares and 25,000 Director Options pursuant to Resolution 7; and
 - (iv) Mr Steve Gallagher (and/or his nominee(s)) is 100,000 Director Shares and 50,000 Director Options pursuant to Resolution 8.
- (d) The Director Options have an exercise price of \$0.35 each and will expire three years from the date of issue. The terms and conditions of the Director Options are detailed in Schedule 2 of this Notice. The Director Shares (and Shares to be issued on exercise of the Director Options) will be fully paid ordinary shares in the capital of

the Company and will rank equally in all respects with the Company's existing Shares on issue.

- (e) The Director Shares and Director Options will be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (f) The Director Shares will have an issue price of \$0.20 per Share, raising a total of \$240,000. The Director Options will be issued for nil cash consideration, as they are free attaching on the basis of one free attaching Director Option for every two Director Shares to be issued.
- (g) Funds raised from the issue of the Director Shares to Messrs Welborn, Alder, Abbott and Gallagher (and/or their nominee(s)) will be used as detailed in Section 3.2. No funds will be raised by the issue of the Director Options, as they are free attaching on the basis of one free attaching Director Option for every two Director Shares to be issued.
- (h) A voting exclusion statement is included in the Notice for Resolutions 5, 6, 7 and 8.
- (i) Other than the information above and otherwise detailed in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolutions 5, 6, 7 and 8.

8.6 Board Recommendation

The Board (excluding Mr Welborn, due to his personal interest in Resolution 5) recommends that Shareholders vote in favour of Resolution 5.

The Board (excluding Mr Alder, due to his personal interest in Resolution 6) recommends that Shareholders vote in favour of Resolution 6.

The Board (excluding Mr Abbott, due to his personal interest in Resolution 7) recommends that Shareholders vote in favour of Resolution 7.

The Board (excluding Mr Gallagher, due to his personal interest in Resolution 8) recommends that Shareholders vote in favour of Resolution 8.

9. Resolution 9 – Issue of Lead Manager Options to Evolution Capital (and/or its nominee(s))

9.1 Background

Evolution Capital acted as lead manager to the Placement and, subject to Shareholder approval, as part of the consideration for Evolution Capital's services the Company has agreed to issue 5,000,000 Options (each with an exercise price of \$0.35, expiring three years from the date of issue on the terms and conditions in Schedule 2) (**Lead Manager Options**) to Evolution Capital (and/or its nominee(s)).

Refer to Section 3.1 for further details of the Placement.

Resolution 9 seeks Shareholder approval for the issue of the 5,000,000 Lead Manager Options to Evolution Capital under and for the purposes of Listing Rule 7.1 (and for all other purposes).

Resolution 9 is an ordinary resolution.

The Chairperson intends to exercise all available undirected proxies in favour of Resolution 9.

9.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is contained in Section 4.2.

The issue of the Lead Manager Options does not fall within any of the exceptions to Listing Rule 7.1 (and it exceeds the 15% Placement Capacity) and is conditional upon Shareholder approval (which is being sought pursuant to Resolution 9).

If Resolution 9 is passed, the Company will be able to proceed with the issue of the Lead Manager Options (and Shares issued on exercise of the Lead Manager Options) without using any of the Company's 15% Placement Capacity. In addition, the issue of the Lead Manager Options (and Shares issued on exercise of the Lead Manager Options) will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 9 is not passed, the issue of the Lead Manager Options will only proceed to the extent that the Company has the available placement capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1. If the Company does not have the available placement capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1, the issue of the Lead Manager Options will not be able to proceed. In that event, the Company would have to compensate Evolution Capital by the Company paying to Evolution Capital the monetary equivalent of the Lead Manager Options based on a Black Scholes Model¹ pursuant to the Mandate (which monetary amount is estimated as \$389,395 at the date of this Notice, but is subject to change).

9.3 Specific information required by Listing Rule 7.3

The following information in relation to Resolution 9 is provided to Shareholders for the purposes of Listing Rule 7.3:

- (a) The Lead Manager Options will be issued to Evolution Capital (and/or its nominee(s)). Evolution Capital is not a related party of the Company.
- (b) The maximum number of Lead Manager Options that the Company may issue to Evolution Capital (and/or its nominee(s)) is 5,000,000 Lead Manager Options.
- (c) The Lead Manager Options have an exercise price of \$0.35 each and will expire three years from the date of issue. The terms and conditions of the Options are detailed in Schedule 2 of this Notice. The Shares to be issued on exercise of the Lead Manager Options will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (d) The Lead Manager Options will be issued no later than three months following the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (e) The Lead Manager Options will be issued for nil cash consideration. The Lead Manager Options are proposed to be issued as part of the consideration for Evolution Capital providing lead manager services to the Company pursuant to the Placement.
- (f) No funds will be raised from the issue of the Lead Manager Options as they are being issued for nil cash consideration to Evolution Capital (and/or its nominee(s)).
- (g) The Company entered into an arrangement with Evolution Capital pursuant to a Mandate, whereby Evolution Capital agreed to act as lead manager for the Placement. Pursuant to this arrangement, the Company agreed to issue 5,000,000 Lead Manager Options conditional upon Shareholder approval (or failing that, the Company must pay the cash equivalent, as detailed in Section 9.2). The Company also agreed to pay Evolution Capital a cash fee of 6.0% of the amount raised from the issue of Shares pursuant to the Placement (excluding the UIL Shares and

¹ Based on the following assumptions: (i) 80% volatility, (ii) Risk free rate of 2.00% (iii) no dividends (iv) issue date equal to the date of issue of the Shares under the Placement (v) exercise at any time for three years (American Style).

Director Shares). Evolution Capital will also be entitled to a 2% fee on the gross amount raised by the exercise of Options under the Placement during the 12 months following the issue of the Options. Pursuant to the Mandate, the Company also agreed to reimburse costs of Evolution and has granted Evolution the opportunity to act as lead manager (and to choose other brokers involved) in relation to any future capital raisings of the Company within the next 12 months.

- (h) A voting exclusion is included in the Notice for Resolution 9.

9.4 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 9.

10. Resolution 10 – Approval of Termination Benefits

10.1 General

Resolution 10 seeks Shareholder approval in accordance with Part 2D.2 of the Corporations Act (including sections 200B and 200E of the Corporations Act), Listing Rule 10.19 and for all other purposes, for the Company to give certain termination benefits to any person in connection with that person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company or a related body corporate (except that the non-executive Directors are not included within the ambit of this approval).

If Shareholder approval is obtained, it will give the maximum flexibility to provide the benefits detailed in this Notice to Relevant Personnel who cease to be appointed as Relevant Personnel. "Relevant Personnel" (as detailed in Resolution 10) include both current and future personnel who hold or have held during the three years prior to cessation of their employment or engagement, a managerial or executive office in the Company or a related body corporate of the Company (but excluding the non-executive Directors). The Relevant Personnel also includes Key Management Personnel from time to time.

The Chairperson intends to exercise all available undirected proxies in favour of Resolution 10.

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 10, 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.

10.2 Part 2D.2 of the Corporations Act and Listing Rule 10.19

The Corporations Act restricts the benefits which can be given to individuals who hold a managerial or executive office (as defined in the Corporations Act) in connection with the retirement from their position in the Company or its related bodies corporate.

In accordance with section 200B of the Corporations Act, to give a benefit in connection with a relevant person's retirement from an office, the Company must, subject to various exceptions, obtain the approval of Shareholders in the manner set out in section 200E of the Corporations Act.

A benefit includes (among other things) automatic, or accelerated, vesting of share-based payments for a person or the exercise of discretion to allow a person to maintain a benefit they would not otherwise be entitled to retain, on, or as a result of, retirement from their position in the company. A benefit also includes the exercise of a Board discretion to accelerate vesting of share-based payments. Such share-based payments include (without limitation):

- (a) Performance Rights which have previously been issued under the Company's existing Employee Incentive Plan (**Plan** or **Employee Incentive Plan**) (for example pursuant to the approval of the Plan at the 2020 annual general meeting); or

- (b) Plan Options and/or Performance Rights which will be issued in future under the Plan,

(each being an **Award**).

Listing Rule 10.19 provides that without approval of shareholders, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules. For the purpose of the Listing Rules, termination benefits include payments, property and advantages that are receivable on termination of employment, engagement or office, except those from any superannuation or provident fund and those required by law to be made.

Depending upon the value of the termination benefits (as detailed below), and the equity interests of the Company at the time such benefits may crystallise, it is uncertain if the value of the termination benefits the subject of Resolution 10 would exceed this 5% threshold. Shareholder approval is being sought under Listing Rule 10.19 in order to give the Company flexibility, in case the value of the termination benefits exceeds this 5% threshold.

The benefits for which approval is being sought under Resolution 10 include (together, the **Potential Retirement Benefits**):

- (a) **New Awards under the Plan:** benefits that may result from automatic vesting of new Awards to be issued in future under the Plan or from the Board exercising discretions conferred under the Plan. In particular in relation to those discretions for Awards, the Board will have the discretion to determine that, where a participant ceases to be Relevant Personnel before:
- (i) the satisfaction of any condition attaching to a granted Award;
 - (ii) the vesting of a granted Award; or
 - (iii) any restrictions applying to restricted Shares delivered under the Plan have expired,

some or all Awards will not lapse or be forfeited (if they would otherwise lapse or be forfeited) or will vest or that some or all of the vesting conditions and/or the exercise conditions will be waived, or will be exercised or converted into Shares which are issued or transferred to Relevant Personnel or their nominees for some or all of the Awards, or the restricted Shares granted upon exercise of the Awards cease to be subject to the restrictions, on cessation. These benefits may also be given as automatic events without the need for exercise of Board discretions.

In addition, the Plan provides for the Board to have discretion to determine that Awards will also not be forfeited after the events in items (i), (ii) and/or (iii) are fulfilled where a participant ceases to be Relevant Personnel.

One of the benefits for which approval is sought under this Resolution 10 is the potential for Shares to be issued or transferred to Relevant Personnel upon the exercise or conversion of Awards as a result of the automatic vesting of Awards or the Board exercising a discretion to vest Awards as a termination benefit.

The Awards may vest after Relevant Personnel cease to hold their positions as a Relevant Personnel, which is also another benefit for which approval is sought under this Resolution 10.

Refer to the Plan summary in Schedule 3 for further information in relation to these Potential Retirement Benefits.

- (b) **Pre-existing Awards under the Plan:** any one or more of the benefits detailed or referred to in paragraph (a) above, in relation to pre-existing Awards already on issue and which are granted to Relevant Personnel or their associates, such as pursuant to the Plan approved at the Company's 2020 annual general meeting. Please refer

to the Company's 2022 Annual Report (and particularly the Remuneration Report) and the Company's subsequent ASX announcements for additional information in relation to the pre-existing Awards granted to the Key Management Personnel, which information is incorporated by reference to this Notice. The approval in Resolution 10 also extends to Awards which have been granted to Relevant Personnel who are not named in the Remuneration Report.

Accordingly, for the purposes of section Part 2D.2 of the Corporations Act (including sections 200B and 200E of the Corporations Act), Listing Rule 10.19 and for all other purposes, Resolution 10 seeks Shareholder approval for all Potential Retirement Benefits.

If Shareholders approve Resolution 10, it will be effective until the conclusion of the third annual general meeting of the Company after the date on which this Resolution 10 is passed. This means that the approval will be effective (including in relation to pre-existing Awards and all future Awards):

- (a) if any benefit is given or any discretion to give any benefit is exercised (including a Board discretion); and/or
- (b) if any Relevant Personnel ceases to hold the position of Relevant Personnel,

during the period expiring at the conclusion of the 2025 annual general meeting of the Company. If considered appropriate, the Board will seek a new approval from Shareholders at the Company's annual general meeting in 2025.

10.3 The amount or value of the potential termination benefits

The amount or value of the benefits that may be provided to Relevant Personnel in accordance with Resolution 10 cannot be ascertained in advance. However, the manner in which the amount or value of the potential benefits will be calculated, and the matters, events and circumstances that will, or are likely to affect the calculation of that amount or value include:

- (a) the number of Awards held prior to the Relevant Personnel ceasing employment or engagement with the Company or its related bodies corporate, the conditions (if any) of vesting and exercise of the Awards and the number that the Board determines to (or which automatically) vest, lapse or leave on foot;
- (b) the Relevant Personnel's entitlement to Awards at the time of cessation of employment or engagement and the conditions of such entitlement;
- (c) the circumstances of, or reasons for the Relevant Personnel, ceasing employment or engagement with the Company or its related bodies corporate and the extent to which they served the applicable notice period;
- (d) the length of service with the Company or its related bodies corporate and performance over that period of time;
- (e) any applicable performance measures and the achievement of such measures (and the personal performance and contributions of the Relevant Personnel);
- (f) the portion of any relevant performance periods for Awards that have expired at the time they cease employment or engagement;
- (g) the length of any restriction period during which Shares issued, or to be issued, following vesting of Awards may not be transferred, and any waiver of such restriction period;
- (h) any other factors that the Board determines to be relevant when exercising its discretion to provide Potential Retirement Benefits;
- (i) the manner in which the Board exercises its discretions;

- (j) the market price of the Company's Shares on ASX at the relevant time when the amount or value of any Award is determined, and the terms of those Awards (including performance conditions);
- (k) the exercise price of any relevant Awards which are Plan Options;
- (l) any changes in law between the date the Company or any of its related bodies corporate enter or entered into an agreement with Relevant Personnel and the date they cease appointment as Relevant Personnel; and
- (m) the risk free rate of return in Australia and the estimated volatility of the Company's Shares on ASX at the relevant time.

Other than the information above and otherwise set out in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 10.

10.4 Board Recommendation

The Board (excluding Mr Todd Alder, given his personal interests in Resolution 10 - for example as the holder of 374,400 Performance Rights) recommends that Shareholders vote in favour of this Resolution 10.

Schedule 1

Definitions

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

\$ means Australian Dollars.

15% Placement Capacity has the meaning given in Section 4.2.

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

Award has the meaning given in Section 10.2.

AWST means Australian Western Standard Time, being the time in Perth, Western Australia.

Board means the board of Directors.

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

Closely Related Party has the meaning given in section 9 of the Corporations Act.

Company means Orbital Corporation Limited (ACN 009 344 058).

Constitution means the constitution of the Company.

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

Director means a director of the Company.

Director Options has the meaning given in Section 3.1.

Director Shares has the meaning given in Section 3.1.

Employee Incentive Plan has the meaning given in Section 10.2.

Equity Security has the same meaning as in the Listing Rules.

Evolution Capital has the meaning given in Section 3.1.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

FIRB has the meaning given in Section 3.1.

First Sentier Group means First Sentier Investors Holdings Pty Limited (ACN 630 725 558), Mitsubishi UFJ Financial Group, Inc. and their related bodies corporate listed in their substantial holder notices.

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.

Lead Manager Options has the meaning given in Section 9.1.

Listing Rules means the listing rules of ASX.

Mandate means the mandate between the Company and Evolution Capital.

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

Notice means this notice of general meeting and includes the Explanatory Memorandum and Proxy Form.

Option means an option which entitles the holder to subscribe for a Share on the terms and conditions detailed in Schedule 2.

Performance Right means a performance right granted under the Plan.

Placement has the meaning given in Section 3.1.

Plan has the meaning given in Section 10.2.

Plan Option means an option granted under the Plan which entitles the holder to subscribe for a Share.

Potential Retirement Benefits has the meaning given in Section 10.2.

Proxy Form means the proxy form attached to the Notice.

Relevant Interest has the meaning given in section 9 of the Corporations Act.

Relevant Personnel has the meaning given in Resolution 10.

Resolution means a resolution contained in the Notice.

Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

Securities has the same meaning as in the Listing Rules.

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

Shareholder means a holder of one or more Shares.

Share Registry means Link Market Services Limited (ABN 54 083 214 537).

Tranche 1 Placement has the meaning given in Section 3.1.

Tranche 1 Placement Options has the meaning given in Section 5.1.

Tranche 1 Placement Shares has the meaning given in Section 4.1.

Tranche 2 Placement has the meaning given in Section 3.1.

UIL Options has the meaning given in Section 3.1.

UIL Shares has the meaning given in Section 3.1.

UIL Securities has the meaning given in Section 7.1.

Schedule 2

Option Terms and Conditions

(a) **Entitlement**

Each Option entitles the holder of the Option (**Holder**) to subscribe for one (1) fully paid ordinary share in the capital of the Company (**Share**) upon exercise of the Option.

(b) **Exercise Price and Expiry Date**

Exercise Price per Option	Expiry Date
\$0.35	Three (3) years from the date of issue

(c) **Exercise Period**

Each Option is exercisable at any time prior to the Expiry Date. After this time, any unexercised Options will automatically lapse.

(d) **Notice of Exercise**

The Options may be exercised by notice in writing to the Company (in a form acceptable to the Company), (**Option Exercise Form**) and payment to the Company of the applicable Exercise Price for each Option being exercised. Any Option Exercise Form for an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

(e) **Minimum Exercise Price**

Options must be exercised in multiples of two thousand (2,000) unless fewer than two thousand (2,000) Options are held by a Holder.

(f) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then Shares of the Company and are free of all encumbrances, liens and third party interests. Upon issue of the Shares, the Holder agrees to become a member of the Company and to be bound by the Constitution.

(g) **Quotation of Shares**

If admitted to the official list of the Australian Securities Exchange (**ASX**) at the time, the Company will apply to ASX for official quotation of the Shares issued upon the exercise of the Options.

(h) **Timing of Issue of Shares and Quotation of Shares on Exercise**

Within five (5) Business Days after receipt of an Option Exercise Form given in accordance with these terms and conditions and payment of the applicable Exercise Price for each Option being exercised, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Option Exercise Form and for which cleared funds have been received by the Company; and
- (ii) 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.

(i) **Participation in new issues**

A Holder who holds Options is not entitled to:

- (i) notice of, or to vote or attend at, a meeting of the shareholders;
- (ii) receive any dividends declared by the Company; or

- (iii) participate in any new issues of securities offered to shareholders during the term of the Options,

unless and until the Options are exercised and the Holder holds Shares.

(j) **Adjustment for bonus issue of shares**

If the Company makes a bonus issue of Shares or other securities to existing shareholders (other than an issue in lieu of, or in satisfaction of, dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Holder would have received if the Holder of an Option had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(k) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing shareholders (other than an issue in lieu of, or in satisfaction of, dividends or by way of dividend reinvestment) there will be no adjustment to the Exercise Price of an Option.

(l) **Adjustment for reorganisation**

If there is any reorganisation of the capital of the Company, the rights of the Holder will be varied to comply with the Listing Rules that apply to the reorganisation at the time of the reorganisation.

(m) **Quotation of Options**

The Company will apply for official quotation of the Options on ASX. Subject to satisfying the ASX requirements for quotation as an additional class and subject to ASX granting official quotation, the Options would be quoted on ASX. If the ASX requirements are not satisfied after then, the Options will not be quoted on ASX.

(n) **Options transferable**

The Options are transferrable subject to compliance with the *Corporations Act 2001* (Cth).

(o) **Lodgement Requirements**

Cheques shall be in Australian currency made payable to the Company and crossed 'Not Negotiable' for the application for Shares on the exercise of the Options.

Schedule 3

Summary Employee Incentive Plan

Information about the Employee Incentive Plan is set out below. A copy of the Employee Incentive Plan can be obtained by contacting the Company's company secretary.

The main features of the Employee Incentive Plan are summarised as follows:

Eligibility	<p>Under the terms of the Employee Incentive Plan, the Board may determine which employees, directors or contractors of the Company and its related bodies corporate are eligible to participate.</p> <p>The Employee Incentive Plan is targeted at the Company's directors, senior management, employees and contractors. Any proposal to issue Performance Rights or Plan Options to Directors under the Employee Incentive Plan would require prior Shareholder approval to be obtained pursuant to the related party provisions of the Listing Rules.</p>
Incentives	<p>The Employee Incentive Plan allows the Board to grant Performance Rights and Plan Options (each an Incentive) to Eligible Participants.</p>
Number of Incentives to be granted	<p>The number of Incentives granted under the Employee Incentive Plan are decided by the Board from time to time (subject to applicable laws).</p>
Vesting Conditions	<p>The vesting terms for grants of Incentives under the Employee Incentive Plan are decided by the Board from time to time. Where appropriate, the Board may impose appropriate performance hurdles to encourage participants to focus on performance of the Company over the long term. The Board may waive vesting conditions.</p> <p>The Board considers that issuing Plan Options with a premium exercise price, and on such terms that the Plan Options lapse on the cessation of employment or engagement, will ensure that benefits will only be received by recipients who continue to be employed by the Company. In the Board's view terms of that nature have a like effect to a vesting condition.</p> <p>Upon satisfaction of the vesting conditions, the Company may issue a vesting notice. An incentive will vest when that vesting notice is given or deemed to have been given to the incentive holder.</p>
Exercise Price	<p>Performance Rights do not require the employee to pay any amount to the Company upon vesting or exercise.</p> <p>The Board may grant Plan Options under the Employee Incentive Plan. If it chooses to do so, the exercise price of any Plan Options granted under the Employee Incentive Plan is at the absolute discretion of the Board and the Board will determine the exercise price from time to time. Typically, any Plan Options granted would have an exercise price calculated by reference to a VWAP of the Company's shares for a period prior to the date of grant.</p>
Expiry Date	<p>The Board may set out in an invitation to participate in the Employee Incentive Plan the date and times when any</p>

Exercising Incentives

Incentives lapse. The expiry date will be no later than 15 years after the date of grant.

The Incentive holder may determine when to exercise a vested Incentive by delivering an exercise notice (along with payment in respect of the Exercise Price (if any)) to the Company up until the Expiry Date.

Impact of cessation of employment/engagement

Cause	Incentives which have not vested	Incentives which have vested
Termination for ill health or death	Immediately lapse unless Board determines otherwise	May be exercised (in the case of ill health) by the participant, or (in the case of death) by the participant's personal representative, until the Incentive lapses
Termination for cause (e.g. fraud, dishonesty, material breach of obligations)	Immediately lapse unless Board determines otherwise	Immediately lapse unless Board determines otherwise
Termination by consent (e.g. resignation)	Immediately lapse unless Board determines otherwise	Are able to be exercised during the period ending 30 days after cessation of employment/ engagement or a longer period allowed by the Board
Redundancy, constructive dismissal, other termination by Company not dealt with above	Incentives automatically vest and are able to be exercised during the period ending 30 days after cessation of employment/ engagement or a longer period allowed by Board	Are able to be exercised during the period ending 30 days after cessation of employment/ engagement or a longer period allowed by the Board

Takeover bid and change in control

Incentives granted under the Employee Incentive Plan automatically vest in the event of a change in control of the Company, including where a takeover bid is made for the Company and the bidder acquires more than 50% voting power in the Company, Shareholders approve a scheme of arrangement, any person becomes bound or entitled to acquire shares in the Company under the compulsory acquisition provisions of the Corporations Act, a selective capital reduction is approved by Shareholders by which a person acquires more

than 50% voting power in the Company, or in any other case where a person obtains voting power in the Company which the Board determines (acting in good faith and in accordance with their fiduciary duties) is sufficient to control the composition of the Board.

The Board also has the discretion to permit the exercise of Incentives (irrespective of whether the relevant vesting conditions have been met) during such period as the Board determines where:

(a) the Company passes a resolution for voluntary winding up;

(b) an order is made for the compulsory winding up of the Company; or

(c) the Company passes a resolution in accordance with Listing Rule 11.2 to dispose of its main undertaking.

Transferability

Incentives granted under the Employee Incentive Plan are generally not transferable. An Incentive invitation may contain disposal restrictions for a specified period of time.

Dividend and voting rights

Incentives granted under the Employee Incentive Plan do not carry any dividend or voting rights.

Adjustment for Bonus Issue

If Shares are issued pro rata to the Company's shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment) involving capitalisation of reserves or distributable profits, the Incentive holder is entitled, upon exercise of the Incentives, to receive, in addition to the Shares in respect of which the Incentives are exercised and without the payment of any further consideration, an allotment of as many additional Shares as would have been issued to a shareholder who, on the date for determining entitlements under the bonus issue, held Shares equal in number to the Shares in respect of which the Incentives are exercised.

Adjustment for rights issues

The exercise price of Incentives granted under the Employee Incentive Plan (which is only applicable for Plan Options granted under the Employee Incentive Plan, which have an exercise price) will be adjusted in the manner provided by the Listing Rules in the event of the Company conducting a rights issue prior to the lapse of that Incentive.

Adjustment for reorganisation

In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Incentives to which each Incentive holder is entitled or the Exercise Price of the Incentives (if applicable), or both as appropriate, will be adjusted in the manner as determined by the Board having regards to the Listing Rules and the general principle that the Incentive holder is not to be materially disadvantaged as a result of a corporate action.

No other participation

Subject to the above adjustments, during the currency of any Incentives and prior to their exercise, Incentive holders are not entitled to participate in any new issue of securities of the Company as a result of their holding Incentives.

Board discretion

Under the terms of the Employee Incentive Plan, the Board has absolute discretion to determine the exercise price, the expiry date and vesting conditions of any grants made under the Employee Incentive Plan, without the requirement for further Shareholder approval.

In circumstances where an eligible person ceases to be employed or engaged by the Company, the Board may decide that some or all of that person's Incentives will not be forfeited. The Board may add forfeiture terms to a particular grant of Incentive provided those terms are set out in the relevant Incentive invitation.

Trust

The Board may establish an employee share trust for the purposes of the Employee Incentive Plan.



Orbital Corporation Limited
ACN 009 344 058

LODGE YOUR VOTE

 **ONLINE**
<https://investorcentre.linkgroup.com>

 **BY MAIL**
Orbital Corporation Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND***
Link Market Services Limited
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150; or
Level 12, 680 George Street, Sydney NSW 2000

*During business hours Monday to Friday

 **ALL ENQUIRIES TO**
Telephone: 1300 554 474 Overseas: +61 1300 554 474

LODGE MENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **10:00am (AWST) on Wednesday, 11 January 2023**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting. Proxy Forms may be lodged using the reply paid envelope or:

 **ONLINE**
<https://investorcentre.linkgroup.com>

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

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

DEFAULT TO CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in 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 A SECOND PROXY

You are entitled to appoint up to two persons as proxies to participate in the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or

you may copy this form and return them both together.

To appoint a second proxy you must:

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

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

CORPORATE REPRESENTATIVES

If a representative of the corporation is to participate in the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

IF YOU WOULD LIKE TO PARTICIPATE IN AND VOTE AT THE EXTRAORDINARY GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU. THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.



X99999999999

PROXY FORM

I/We being a member(s) of Orbital Corporation Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **10:00am (AWST) on Friday, 13 January 2023 at 4 Whipple Street, Balcatta, Western Australia** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolution 10: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 10, even though Resolution 10 is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each Resolution.

STEP 2

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Ratification of Tranche 1 Placement Shares issued under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Issue of Lead Manager Options to Evolution Capital (and/or its nominee(s))	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Issue of Tranche 1 Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Approval of Termination Benefits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Issue of Shares and Options to institutional and sophisticated investors under the Tranche 2 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Issue of Shares and Options to UIL Limited (and/or its nominee(s)) under the Tranche 2 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Issue of Shares and Options to Mr John Welborn (and/or his nominee(s)) under the Tranche 2 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Issue of Shares and Options to Mr Todd Alder (and/or his nominee(s)) under the Tranche 2 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Issue of Shares and Options to Mr Kyle Abbott (and/or his nominee(s)) under the Tranche 2 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Issue of Shares and Options to Mr Steve Gallagher (and/or his nominee(s)) under the Tranche 2 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



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

STEP 3

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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

OEC PRX2202D

