



29 April 2023

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## IMAGE RESOURCES ANNUAL GENERAL MEETING

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Dear Shareholder,

I am pleased to invite you to attend the Annual General Meeting of Image Resources NL (**Image**), which will be held at 10:00am (AWST) on Tuesday 30 May 2023 (**Meeting**) at Brookfield Place Tower 2, Level 6, 123 St Georges Terrace, Perth, Western Australia.

In accordance with the *Corporations Act 2001* (Cth), the Notice of Meeting and the accompanying Explanatory Statement are being made available to shareholders electronically (unless you have expressly elected to receive the Notice of Meeting in paper copy). The Image Notice of Meeting is available for you to view and download on the Image website at <http://imageres.com.au/index.php/investor/asx-releases.html> or from the ASX announcements website ([www.asx.com.au](http://www.asx.com.au)) using the ASX code: IMA.

Shareholders are encouraged to participate by attending the Meeting in person. The Meeting will also be broadcast live via webcast to give Shareholders the opportunity to watch and observe the meeting proceedings and Company presentation. To view the webcast, please email the Company at [info@imageres.com.au](mailto:info@imageres.com.au) with your registered shareholder name and address to request the webcast link.

Your participation in the Meeting is important to us. If you are unable to attend the Meeting at the scheduled time, you can participate in voting by lodging a proxy vote. As all resolutions at the Meeting will be conducted by poll, your lodged proxy vote will be included in the vote on each resolution.

Shareholders can either lodge the proxy appointment online at <https://investor.automic.com.au/#/loginsah> or sign and return the Proxy Form to the Company's share registry, Automic, in accordance with the instructions on the form, so that it is received by **10:00am (AWST) on 28 May 2023**.

Questions relevant to the business of the Meeting can be emailed to [info@imageres.com.au](mailto:info@imageres.com.au) prior to the Meeting. It is recommended that questions be submitted prior to 5.00pm (AWST) on 23 May 2023.

Image is committed to promoting positive environmental outcomes, so we encourage all shareholders to provide an email address to receive their communications online. This ensures we are providing you with the information you need in the fastest, most cost-effective, and environmentally friendly manner possible. To provide your details online, visit <https://investor.automic.com.au/#/home>. Follow the prompts to update your information, add your email address and update your 'Communications' preferences.

For a detailed overview of Image's performance and operations for the year ended 31 December 2022, I encourage you to read the 2022 Annual Report prior to the Meeting. The 2022 Annual Report can be found on Image's website at <http://imageres.com.au/index.php/investor/company-reports.html#>.

If you are unable to access the meeting materials online, please call the Company Secretary on +61 8 9485 2410.

### Notice of Director Intention

Image advises that it has received notice from non-executive Director Chaodian Chen, who was scheduled to retire by rotation and stand for re-election, of his intention not to seek re-election due to changes in his personal circumstances. Mr Chen will therefore cease to be a director immediately prior to the AGM.

For and on behalf of the Board,

**Dennis Wilkins**  
Company Secretary  
+61 8 9485 2410

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**Image Resources NL** | ABN 57 063 977 579  
Level 2, 7 Ventnor Ave West Perth WA 6005  
PO Box 469 West Perth WA 6872  
T: 08 9485 2410  
[www.imageres.com.au](http://www.imageres.com.au)

IMAGE RESOURCES NL  
ABN 57 063 977 579

**NOTICE OF ANNUAL GENERAL MEETING**

**AND**

**EXPLANATORY STATEMENT**

**AND**

**PROXY FORM**

**Date of Meeting**

30 May 2023

**Time of Meeting**

10:00am (WST)

**Place of Meeting**

Brookfield Place Tower 2  
Level 6, 123 St Georges Terrace  
PERTH WA 6000

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

The **31 December 2022 Annual Report** may be viewed on the Company's website at [www.imageres.com.au](http://www.imageres.com.au)

**IMAGE RESOURCES NL**  
**ABN 57 063 977 579**  
**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the annual general meeting of Shareholders of Image Resources NL (**Image** or the **Company**) will be held at Brookfield Place Tower 2, Level 6, 123 St George's Terrace, Perth WA 6000 on 30 May 2023 at 10:00am (WST) (**Meeting**) for the purpose of transacting the business contemplated by the Resolutions and Explanatory Statement below.

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

Shareholders will be able to participate in person at the Meeting. The Meeting will also be broadcast live via webcast to give Shareholders the opportunity to watch and observe the meeting proceedings and Company presentation. To watch the webcast, please email the Company at [info@imageres.com.au](mailto:info@imageres.com.au) to obtain the webcast link. For more information on Shareholder questions and how to vote, refer to the Notes section in the Notice.

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the glossary in the Explanatory Statement.

### **31 DECEMBER 2022 FINANCIAL STATEMENTS AND REPORTS**

To receive and consider the financial statements of the Company for the year ended 31 December 2022, consisting of the Financial Report, the Directors' Report and the Auditor's Report.

### **RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

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

*"That, for the purposes of section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 31 December 2022 Annual Report be and is hereby adopted."*

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

**Voting Prohibition:** In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1:

- (a) by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or their Closely Related Parties, regardless of the capacity in which the votes are cast; or
- (b) by a person who is a member of the Key Management Personnel at the date of the Meeting, or their Closely Related Parties, as a proxy.

However, the Company will not disregard a vote if the vote is cast as a proxy for a person entitled to vote on Resolution 1:

- (a) in accordance with a direction as to how to vote on the proxy; or
- (b) by the Chair pursuant to an express authorisation to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

### **RESOLUTION 2 – RE-ELECTION OF AARON SOO AS A DIRECTOR**

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

*"That, for the purposes of rule 13.7 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Aaron Soo, having retired as a Director of the Company in accordance with the Constitution and, being eligible, having offered himself for re-election, is re-elected a Director of the Company."*

### **RESOLUTION 3 – ELECTION OF RAN XU AS A DIRECTOR**

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

*"That, for the purposes of rule 13.3(a) of the Constitution, and all other purposes, Ms Ran Xu, who was appointed by the Board in accordance with rule 13.2(b) of the Constitution, and being eligible for election, be elected as a Director of the Company."*

#### RESOLUTION 4 – ELECTION OF WINSTON LEE AS A DIRECTOR

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

*"That, for the purposes of rule 13.3(a) of the Constitution, and all other purposes, Mr Winston Lee, who was appointed by the Board in accordance with rule 13.2(b) of the Constitution, and being eligible for election, be elected as a Director of the Company."*

#### RESOLUTION 5 – RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS

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

*"That the proportional takeover provisions contained in Schedule 1 of the Company's Constitution be renewed for a further period of three years with effect from the conclusion of the Meeting."*

#### RESOLUTION 6 – APPROVAL OF EMPLOYEE SHARE PLAN

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

*"That, for the purposes of Listing Rules 7.2 (Exception 13(b)) and 10.19, and sections 200B and 200E of the Corporations Act, and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled '2023 Employee Share Plan' and for the issue of securities under that plan, on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person who is eligible to participate in the 2023 Employee Share Plan;
- (b) an officer of the Company or any of its child entities who is entitled to participate in a termination benefit under the 2023 Employee Share Plan; or
- (c) an Associate of that person or those persons.

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

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

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

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

However, the above prohibition does not apply if:

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

In accordance with the Corporations Act, if any Shareholder is an employee or Director of the Company (or a related body corporate of the Company), a potential employee or director of the Company (or a related body corporate of the Company) or an Associate of such a person, and wishes to preserve the benefit of this Resolution for that person, they should not vote on the Resolution or they will lose the benefit of the Resolution unless the vote is cast in accordance with section 200E(2B) of the Corporations Act.

#### RESOLUTION 7 – APPROVAL OF FINANCIAL ASSISTANCE FOR EMPLOYEE SHARE PLAN

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

*"That, subject to Resolution 6 being passed, for the purposes of sections 257B, 259B and 260C of the Corporations Act, and for all other purposes, the 2023 Employee Share Plan as set out in the Explanatory Statement be approved."*

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

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or

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

However, the above prohibition does not apply if:

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

## **RESOLUTION 8 – APPROVAL OF INCENTIVE AWARDS PLAN**

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

*“That, for the purposes of Listing Rules 7.2 (Exception 13(b)) and 10.19, and sections 200B and 200E of the Corporations Act, and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled ‘2023 Incentive Awards Plan’ and for the issue of securities under that plan, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person who is eligible to participate in the 2023 Incentive Awards Plan;
- (b) an officer of the Company or any of its child entities who is entitled to participate in a termination benefit under the 2023 Incentive Awards Plan; or
- (c) an Associate of that person or those persons.

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

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

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

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

However, the above prohibition does not apply if:

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

In accordance with the Corporations Act, if any Shareholder is an employee or Director of the Company (or a related body corporate of the Company), a potential employee or director of the Company (or a related body corporate of the Company) or an Associate of such a person, and wishes to preserve the benefit of this Resolution for that person, they should not vote on the Resolution or they will lose the benefit of the Resolution unless the vote is cast in accordance with section 200E(2B) of the Corporations Act.

## **RESOLUTION 9 – APPROVAL TO GRANT PERFORMANCE RIGHTS TO EXECUTIVE DIRECTOR MR MUTZ**

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

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the grant of Performance Rights under the 2023 Incentive Awards Plan to executive Director Mr Mutz (or his nominees) on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the 2023 Incentive Awards Plan; or
- (b) an Associate of that person or those persons.

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

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

## IMAGE RESOURCES NL

Notice of Annual General Meeting 30 May 2023

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- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition:** A vote on this Resolution must not be cast by a person appointed as a proxy if:

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

However, the above prohibition does not apply if:

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

## RESOLUTION 10 – INCREASE IN MAXIMUM AGGREGATE REMUNERATION FOR NON-EXECUTIVE DIRECTORS

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

*"That, for the purposes of rule 13.9 of the Constitution and Listing Rule 10.17, and for all other purposes, the maximum aggregate remuneration payable to non-executive Directors be increased by \$200,000 from \$500,000 to \$700,000 per annum."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a Director or an Associate of a Director. However, this does not apply to a vote cast in favour of the Resolution by:

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

**Voting Prohibition:** A vote on this Resolution must not be cast by a person appointed as a proxy if:

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

However, the above prohibition does not apply if:

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

## OTHER BUSINESS

To deal with any other business that may be brought forward in accordance with the Constitution and the Corporations Act.

**By order of the Board.**



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Dennis Wilkins  
Company Secretary  
Date: 29 April 2023

**NOTES****Provision of AGM materials**

In accordance with the *Corporations Act 2001* (Cth), the Notice of Meeting and accompanying Explanatory Statement are being made available to shareholders electronically (unless Shareholders have expressly elected to receive the Notice of Meeting in paper copy).

Shareholders that have nominated an email address and have elected to receive electronic communications from the Company will receive an email to their nominated account with a link to an electronic copy of the Notice of Meeting (including the Proxy Form).

Shareholders who have not made an electronic communications election will receive a letter (containing the web address to obtain an electronic copy of the Notice of Meeting) and Proxy Form by post.

All Shareholders will be able to access the Notice of Meeting (including the Proxy Form) on the Company's website at: <http://imageres.com.au/index.php/investor/asx-releases.html>. The Company has also provided the Meeting materials on the Company's ASX announcements page which are therefore available through the ASX Market Announcements Platform at <https://www.asx.com.au/asx/statistics/announcements.do> (ASX code IMA).

If you are unable to access the relevant Meeting materials online, please contact the Company Secretary on +61 8 9485 2410. If you wish to receive a paper copy of the meeting materials, please contact the Company Secretary on +61 8 9485 2410 or email the Company at [info@imageres.com.au](mailto:info@imageres.com.au) and the Company will mail one to you. Please remember to provide your name, address, contact phone number, and email address.

**How to attend**

Shareholders will be able to participate in person at the Meeting by attending Brookfield Place Tower 2, Level 6, 123 St Georges Terrace, Perth, Western Australia on Tuesday 30 May 2023 at 10:00am (AWST) with registration from 9:30am until 10:00am (AWST).

The Meeting will also be broadcast live via webcast to give Shareholders the opportunity to watch and observe the meeting proceedings and Company presentation. To watch the webcast, please email the Company at [info@imageres.com.au](mailto:info@imageres.com.au) with your registered Shareholder name and address to request the webcast link.

**Explanatory Statement**

The accompanying Explanatory Statement forms part of this Notice and should be read in conjunction with it.

Shareholders are specifically referred to the glossary in the Explanatory Statement which contains definitions of certain terms used in this Notice and the Explanatory Statement, mostly indicated by the first letter being capitalised.

**Your vote is important**

The business of the Meeting affects your Shareholding, and your vote is important. Voting on each item of business will be conducted by poll. The Board encourages all Shareholders to either vote at the Meeting or lodge a Proxy Form prior to the deadline (being no later than 10:00am (WST) on 28 May 2023). Information on how to lodge a proxy is set out on the Proxy Form.

An ordinary resolution requires approval of more than 50% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

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

**Voting eligibility**

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00am (WST) on 28 May 2023.

**Voting during the Meeting**

If you attend the Meeting in person, you will be able to vote in the poll on each Resolution during the Meeting.

**Voting by proxy**

All Shareholders are invited and encouraged to attend the Meeting in person or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions on the form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person. Only an individual may be appointed a proxy.

To vote by proxy, please complete and sign the enclosed personalised Proxy Form and return by no later than 10:00am (WST) 28 May 2023:

1. by **completing and lodging your Proxy Form online** at <https://investor.automic.com.au/#/loginsah>;
2. by **delivering your completed Proxy Form by email** to [meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au);
3. by **posting your completed Proxy Form** to Automic, GPO Box 5193, Sydney NSW 2001;
4. by **delivering your completed Proxy Form by hand** to Automic at Level 5, 126 Philip Street, Sydney NSW 2000;
5. by **delivering your completed Proxy Form by fax** to Automic at +61 2 8583 3040.

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

- each Shareholder entitled to attend and vote at the Meeting has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes, each proxy may only exercise one-half of the votes.

### **Chair as proxy**

If you appoint the Chair of the Meeting as your proxy (or the Chair becomes your proxy by default) and you do not direct your proxy how to vote on the proposed Resolutions set out in this Notice, then you will be authorising the Chair to vote as the Chair decides on the proposed Resolutions (even if the Resolution is connected with the remuneration of a member of the Company's Key Management Personnel). Where permitted, the Chair intends to vote as proxy in favour of each Resolution.

If you appoint the Chair as your proxy and wish to direct the Chair how to vote, you can do so by marking the boxes for the relevant Resolution (i.e., by directing to vote "For", "Against" or "Abstain").

If you appoint a member of Key Management Personnel (other than the Chair) or any Closely Related Party of a member of Key Management Personnel as your proxy, you must direct that person how to vote on Resolutions 1, 6, 7, 8, 9 and 10 if you want your Shares to be voted on those Resolutions. If you appoint a member of Key Management Personnel (other than the Chair) or any Closely Related Party of a member of Key Management Personnel and you do not direct them how to vote on Resolutions 1, 6, 7, 8, 9 and 10, such a person will not cast your votes on that Resolution and your votes will not be counted in calculating the required majority for the poll on that Resolution.

### **Corporate representatives**

A body corporate Shareholder wishing to attend and vote at the Meeting (as opposed to attending by proxy) may only do so by appointing an individual as its corporate representative. If you are a corporate representative, you will need to provide evidence of your appointment as a corporate representative with the share registry prior to the Meeting or have previously provided the Company with evidence of your appointment.

### **Powers of attorney**

If you appoint an attorney to attend and vote at the Meeting on your behalf, the power of attorney (or a certified copy) must have been received by the share registry by 10:00am (WST) on 28 May 2023.

### **Shareholder questions**

Shareholders will be able to ask questions relevant to the business of the Meeting at the Meeting.

Shareholders who are unable to attend the Meeting or wish to submit questions prior to the Meeting may submit written questions by emailing the Company Secretary on [info@imageres.com.au](mailto:info@imageres.com.au). In order for questions to be considered it is recommended that questions be received by 5:00pm (WST) on 23 May 2023.

The more frequently raised Shareholder issues will be addressed by the Chair during the Meeting. While there will be an allotted time for questions, that time will be limited. The Board will endeavour to respond to as many Shareholder questions as possible. However, there may not be sufficient time available at the Meeting to address all of the questions raised. Please note that individual responses will not be sent to Shareholders.

### **Electronic communication**

All Shareholders may, and are encouraged to, elect to receive communications from the Company's share registry electronically. **The Company strives to avoid, to the fullest extent permitted by law, sending information shareholders via physical means.** To provide or update your email address, please contact the Company's share registry.

**EXPLANATORY STATEMENT**

This Explanatory Statement has been prepared for the Shareholders of Image Resources NL ABN 57 063 977 579 (**Image** or the **Company**) in connection with the business to be conducted at the annual general meeting of the Company to be held at Brookfield Place Tower 2, Level 6, 123 St George's Terrace, Perth WA 6000 on 30 May 2023 commencing at 10:00am (WST).

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice. This Explanatory Statement should be read in conjunction with, and forms part of, the accompanying Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Statement will, unless the context otherwise requires, have the same meaning given to them in the glossary as contained in this Explanatory Statement.

**FINANCIAL STATEMENTS AND REPORTS**

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report, and the Auditor's Report, for the financial year ended 31 December 2022.

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

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

- discuss the Annual Report, which is available online from the Company's website [www.imageres.com.au](http://www.imageres.com.au);
- ask questions about, or comment on, the management of the Company; and
- ask the auditor questions about the conduct of the audit, the preparation and content of the auditor's report, accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

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

- the content of the auditor's report; and
- the conduct of the audit,

may be submitted no later than 5:00pm (WST), 23 May 2023 to the Company Secretary at the Company's registered office or at [info@imageres.com.au](mailto:info@imageres.com.au).

**1 RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT****1.1 General**

Section 250R(2) of the Corporations Act requires the Company to put a resolution to Shareholders that the Remuneration Report be adopted. Such a resolution is advisory only and does not bind the Directors or the Company. However, the outcome of the vote and discussion will be considered by the Company's Remuneration & Nomination Committee and Board when evaluating the remuneration arrangements of the Company.

The Remuneration Report of the Company for the period ended 31 December 2022 is set out in the Company's Annual Report on pages 42 to 48. This report includes information about the principles used to determine the nature and amount of remuneration and sets out the remuneration arrangements for each Director and member of the Key Management Personnel.

As set out in the Remuneration Report, in determining executive remuneration, the Board aims to ensure that remuneration practices:

- (a) are competitive and appropriate, enabling the Company to attract and retain key talent while building a diverse, sustainable, and high achieving workforce;
- (b) are aligned to the Company's strategic and business objectives and the creation of Shareholder value;
- (c) are transparent; and
- (d) are acceptable to Shareholders.

Further details regarding the Company's remuneration policy and structure as to executive and non-executive remuneration are set out in the Annual Report.

Shareholders will be given a reasonable opportunity to ask questions about, or comment on, the Remuneration Report at the Meeting.

The Corporations Act provides that if 25% or more of votes that are cast are voted against the adoption of a company's remuneration report at two consecutive annual general meetings, shareholders will be required to vote at the second of those annual general meetings on a resolution (a **Spill Resolution**) that another meeting be held within 90 days at which all of the Directors (other than the Managing Director) who were in office at the date of the approval of the applicable directors' report must stand for re-election. In such case, the voting prohibition outlined for Resolution 1 will not apply to the Spill Resolution.

At the Company's 2022 AGM, less than 25% of the votes cast on the resolution to adopt the remuneration report forming part of the Company's 31 December 2021 annual report were voted against the resolution. Accordingly, regardless of the voting on Resolution 1, no Spill Resolution is required to be considered at this Meeting.

## **1.2 Directors' recommendation**

The Directors unanimously recommend that Shareholders vote in favour of adopting the Remuneration Report.

## **2 RESOLUTION 2 – RE-ELECTION OF AARON SOO AS A DIRECTOR**

### **2.1 General**

Mr Aaron Soo was initially appointed as a Director on 27 July 2015 and was last re-elected as a Director at the Company's 2020 AGM.

In accordance with rule 13.7 of the Constitution and Listing Rule 14.4, no Director (other than the managing director) may hold office (without re-election) past the third AGM following the Director's appointment or three years, whichever period is longer.

Accordingly, Mr Soo will retire by rotation and, being eligible, offers himself for re-election.

### **2.2 Director's biography and experience**

Mr Soo has been a long term supporter of Image. Mr Soo is an advocate and solicitor practising in West Malaysia with 22 years of experience in legal practice and is currently a partner in Stanley Ponniah, Ng & Soo, Advocates and Solicitors. Mr Soo serves on the Audit & Risk Committee and the Investment Committee.

The Board considers Mr Soo to be an independent Director.

### **2.3 Directors' recommendation**

Based on the information available, including the information contained in this Explanatory Statement, all the Directors consider that Resolution 2 is in the best interests of the Company.

All the Directors (other than Mr Soo because of his interest in this Resolution) unanimously recommend that Shareholders vote in favour of Resolution 2.

## **3 RESOLUTION 3 – ELECTION OF RAN XU AS A DIRECTOR**

### **3.1 General**

The Board appointed Ms Ran Xu to the Board of Directors on 1 June 2022 pursuant to rule 13.2(b) of the Constitution.

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the number of Directors specified by the Constitution.

Pursuant to rule 13.3(a) of the Constitution and Listing Rule 14.4, any Director so appointed holds office until the next annual general meeting and is then eligible for election by Shareholders. If the appointment is not confirmed by Shareholders at that meeting, the person will cease to be a director at the conclusion of the meeting. In accordance with rule 13.3(a) of the Constitution, the Company must confirm Ms Xu's appointment at this AGM.

### **3.2 Director's biography and experience**

Ms Ran Xu has a masters degree in HR Management and Industrial Relations. She started working in LB Group in 2014 as a Procurement and Strategy VP and is now the Associate President of Strategy. Ms Xu has extensive experience and market intelligence in the ilmenite and pigment industry. Ms Xu is currently a member of the Investment Committee.

The Board does not consider Ms Xu to be an independent Director as she is the Board representative of a substantial Shareholder, Murray Zircon Pty Ltd (refer to the Company's ASX release dated 30 May 2022 'Withdrawal of AGM resolution and standstill agreement').

### **3.3 Directors' recommendation**

Based on the information available, including the information contained in this Explanatory Statement, all the Directors consider that Resolution 3 is in the best interests of the Company.

All the Directors (other than Ms Xu because of her interest in this Resolution) unanimously recommend that Shareholders vote in favour of Resolution 3.

## **4 RESOLUTION 4 – ELECTION OF WINSTON LEE AS A DIRECTOR**

### **4.1 General**

The Board appointed Mr Winston Lee to the Board of Directors on 14 June 2022 pursuant to rule 13.2(b) of the Constitution.

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the number of Directors specified by the Constitution.

Pursuant to rule 13.3(a) of the Constitution and Listing Rule 14.4, any Director so appointed holds office until the next annual general meeting and is then eligible for election by Shareholders. If the appointment is not confirmed by Shareholders at that meeting, the person will cease to be a director at the conclusion of the meeting. In accordance with rule 13.3(a) of the Constitution, the Company must confirm Mr Lee's appointment at this AGM.

### **4.2 Director's biography and experience**

Mr Winston Lee is the CEO of Vestpro International Limited, a commodity holding company, with assets under management including major stakes in private and publicly listed mining companies. Mr Lee is establishing a position in the global mining industry through investments, operations, and explorations in North America, Asia and Africa. He has 7 years of experience in developing international cooperation with resource companies as well as investments in heavy metal, healthcare and other natural resources. He led the Research and Development department of Zipro Technology Corporation, collaborating with professors and the Dean of Engineering at National Taiwan University. Mr. Lee serves as Head of Finance of an AI driven simulation platform company and plays a central role covering a wide range of capital and legal structures as well as asset sales. The company owns patents involving Virtual Matter and Virtual Environments. Mr Lee is a passionate patron of the arts supporting emerging contemporary artists. Mr Lee is currently a member of the Company's Remuneration & Nomination Committee.

The Board does not consider Mr Lee to be an independent Director as he is the Board representative of a substantial Shareholder, Vestpro International Limited (refer to the Company's ASX release dated 24 May 2022 'Withdrawal of AGM Resolution').

### **4.3 Directors' recommendation**

Based on the information available, including the information contained in this Explanatory Statement, all the Directors consider that Resolution 4 is in the best interests of the Company.

All the Directors (other than Mr Lee because of his interest in this Resolution) unanimously recommend that Shareholders vote in favour of Resolution 4.

## **5 RESOLUTION 5 – RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS**

### **5.1 General**

Under the Corporations Act, a company may include in its constitution a provision to enable the company to refuse to register shares acquired under a proportional takeover bid unless a resolution is passed by shareholders in general meeting approving the offer. This is designed to assist shareholders to receive proper value for their shares if a proportional takeover bid is made for the company.

Section 648G(a) of the Corporations Act requires that proportional takeover provisions be renewed every three years, or they will cease to have effect. The provisions set out in Schedule 1 of the Constitution (**Proportional Takeover Provisions**) were previously adopted with effect from 29 May 2020. It is proposed that the provisions are renewed for a period of three years from the date of this meeting on exactly the same terms as the existing provisions in the Constitution.

A copy of the Constitution is available on the Company's website at [www.imageres.com.au/corporategovernance](http://www.imageres.com.au/corporategovernance).

Resolution 5 is a special resolution and therefore requires approval of at least 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Corporations Act requires certain information to be included in the notice of meeting where the approval of members is sought to adopt proportional takeover provisions. That information is set out below.

## **5.2 What is a proportional takeover bid?**

A proportional takeover bid is a takeover bid where an offer is made to each shareholder to buy a proportion of that shareholder's shares, and not the shareholder's entire shareholding. If a shareholder accepts, the shareholder disposes of that specified portion and retains the balance.

## **5.3 Effect of the proposed Proportional Takeover Provisions**

The effect of the Proportional Takeover Provisions is as follows.

- (a) If a bidder makes a proportional takeover bid for any class of shares in the Company, the Directors must ensure that a meeting of members of that class is convened where a resolution to approve the proportional takeover bid is voted upon. The vote is decided on a simple majority. The bidder and its Associates are excluded from voting on that approving resolution.
- (b) The meeting and the vote on the approving resolution must take place more than 14 days before the last day of the bid period, so that holders should know the result of the voting before they have to make up their minds whether or not to accept the proportional takeover bid for their own securities.
- (c) If the approving resolution is rejected before the deadline, the proportional takeover bid cannot proceed, and the offer will be taken to have been withdrawn. Any transfers giving effect to takeover contracts for the bid will not be registered and all offers under the takeover bid are taken to be withdrawn and all takeover contracts must be rescinded.
- (d) If the approving resolution is not voted on, the proportional takeover bid will be taken to have been approved.
- (e) If the approving resolution is passed (or taken to have been approved), the transfers must be registered (subject to other provisions of the Corporations Act and the Company's Constitution).

The Proportional Takeover Provisions do not apply to full takeover bids.

In accordance with the Corporations Act, the Proportional Takeover Provisions will again cease to operate three years after their adoption unless Shareholders resolve by special resolution to renew them in accordance with the statutory procedure.

## **5.4 Reasons for renewing Proportional Takeover Provisions**

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all of their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of not being able to exit their investment in the Company by selling their entire Shareholding and consequently being left as a minority Shareholder in the Company. The bidder may be able to acquire control of the Company without payment of an adequate control premium.

The Directors believe that the Proportional Takeover Provisions reduce this potential detriment to Shareholders because the provisions allow Shareholders to decide if a proportional takeover bid is acceptable in principle and may assist in ensuring that any proportional takeover bid is appropriately priced.

To assess the merits of the Proportional Takeover Provisions, Shareholders should make a judgement as to what events are likely to occur in relation to the Company during the three year life of the proposed Proportional Takeover Provisions.

## **5.5 Impact of previous proportional takeover provisions**

While the proportional takeover provisions contained in Schedule 1 of the Constitution were in effect following adoption on 29 May 2020, no takeover bids for the Company were made, either proportional or otherwise.

Accordingly, no actual advantages or disadvantages of the proportional takeover provisions contained in Schedule 1 of the Constitution, for the Directors or the Shareholders, could be reviewed. The Directors are not aware of any potential takeover bid that was discouraged by the previous inclusion of proportional takeover provisions in the Constitution.

## **5.6 Potential advantages and disadvantages**

The **potential advantages** for Shareholders of the Proportional Takeover Provisions include the following:

- (a) Shareholders have the right to decide, by majority vote, whether an offer under a proportional takeover bid should proceed;
- (b) the provisions may assist Shareholders and protect them from being locked in as a minority;
- (c) the provisions may increase the bargaining power of Shareholders and may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) knowing the view of other Shareholders may assist the individual shareholders in deciding whether to accept or reject an offer under a proportional takeover bid.

The **potential disadvantages** for Shareholders include the following:

- (a) proportional takeover bids for Shares in the Company may be discouraged;
- (b) Shareholders may lose an opportunity to sell some of their Shares at a premium;
- (c) individual Shareholders may consider that the Proportional Takeover Provisions would restrict their ability to deal with their Shares as they see fit; and
- (d) the likelihood of a proportional takeover bid succeeding may be reduced.

The **potential advantages and disadvantages** for the Directors include the following:

- (a) if the Directors consider that a proportional takeover bid should be opposed, they will be assisted in preventing the bidder from securing control of the Company if the bidder needs a majority of the votes cast by the independent Shareholders before it can succeed.
- (b) on the other hand, under the proposal, if a proportional takeover bid is commenced, the Directors must call a meeting to seek the Shareholders' views. The Directors must do so even though they may believe that the bid should be accepted.
- (c) under the approval procedure, the most effective view on the proportional takeover bid will become the view expressed by the vote of the Shareholders themselves at the meeting.

Overall, the Board believes that the potential advantages for shareholders of the Proportional Takeover Provisions outweigh the potential disadvantages.

## **5.7 Knowledge of any acquisition proposals**

Apart from the above general considerations, as at the date on which this Notice of Meeting was prepared, no Director of the Company is aware of any proposal by any person to acquire or to increase the extent of a substantial interest in the Company.

## **5.8 Directors' recommendation**

Based on the information available, including the information contained in this Explanatory Statement, all the Directors consider that Resolution 5 is in the best interests of the Company. The Directors recommend that Shareholders vote in favour of Resolution 5.

# **6 RESOLUTION 6 – APPROVAL OF EMPLOYEE SHARE PLAN**

## **6.1 General**

Resolution 6 seeks Shareholder approval for the adoption of the employee incentive scheme titled "2023 Employee Share Plan" (**Share Plan**) and for the issue of Shares under the Share Plan in accordance with Listing Rules 7.2 (Exception 13(b)) and 10.19, and for the purposes of sections 200B and 200E of the Corporations Act.

The main purpose of the Share Plan is to provide the opportunity of an award to incentivise and motivate employees of the Company, and certain other eligible persons, to continue to provide dedicated and ongoing focus and commitment to achieving the Company's growth and sustainability objectives, and for the award to serve as a retention mechanism for continuing employment.

As a feature of the Share Plan, the Company will provide financial assistance to participants in the form of interest free and fee-free, limited recourse loans.

It is the Board's intention to issue Shares under the Share Plan to the general employee base, when and if deemed appropriate, to incentivise and motivate employee efforts and to improve employee retention.

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

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

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as an exception to Listing Rule 7.1.

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

If Resolution 6 is passed, the issue of Shares to eligible participants under the Share Plan (up to the maximum number of Shares stated in Section 6.3 below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1 for a period of three years from the date the Resolution is approved.

For the avoidance of doubt, the Company must seek prior Shareholder approval under Listing Rule 10.14 in respect of any issues of Shares under the Share Plan to a Director (or their Associates) or a person whose relationship with the Company or a Director (or their Associates) is, in ASX's opinion, such that approval should be obtained.

If Resolution 6 is not passed, the Company will still be able to proceed with the issue of Shares under the Share Plan to eligible participants (to the extent that the Company has available capacity under Listing Rule 7.1), but any issues of Shares will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the securities.

## 6.3 Technical information required by Listing Rule 7.2 (Exception 13)

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

- (a) a summary of the terms of the Share Plan is set out in Annexure A;
- (b) the Share Plan was adopted by the Board on 31 March 2023. The Share Plan is largely consistent with the share plan that Shareholders most recently approved at the Company's annual general meeting held on 29 May 2020 (**Previous Share Plan**), however it has been updated to, largely, reflect recent changes to the Corporations Act regarding employee share schemes. As at the date of this Explanatory Statement, no Shares have been issued under the Share Plan. For completeness, the Company notes that 47,207,526 Shares were issued under the Previous Share Plan since that plan was (most recently) approved at the 2020 annual general meeting;
- (c) the maximum number of Shares proposed to be issued, in aggregate over a 3-year period, under the Share Plan in reliance on Listing Rule 7.2 (Exception 13(b)) is 60,000,000 securities (representing approximately 5.5% of the Company's issued Share capital as at the date of the Notice). This maximum is not intended to be a prediction of the actual number of Shares to be issued under the Share Plan but is specified for the purposes of setting a ceiling on the number of Shares approved to be issued for the purposes of Listing Rule 7.2 (Exception 13(b)); and
- (d) a voting exclusion statement is included in Resolution 6 of the Notice of Meeting.

## 6.4 Termination benefits

### **Overview**

Shareholder approval is also being sought under section 200E of the Corporations Act, as well as under Listing Rule 10.19, to permit the Company to give certain termination benefits to a 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 subsidiary of the Company. Specifically, the benefits for which the Company seeks Shareholder approval are benefits that may be given in circumstances where the Board exercises its discretion under the Share Plan or relevant loan agreement in certain situations. In particular, the terms of the Share Plan provide that the Board may at any time waive in whole or in part any terms or conditions (including vesting conditions) in relation to any Shares issued under the Share Plan. Further, under both the rules of the Share Plan and the terms of the loan agreement between the Company and a participant, the Company can in its discretion defer the repayment date of the relevant loan where the participant ceases to be employed, contracted or otherwise engaged by the Company or a related body corporate of the Company. The Board may exercise one or more of these discretions in

connection with a person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company or a subsidiary of the Company.

**Sections 200B and 200E of the Corporations Act**

Section 200B of the Corporations Act restricts the range of 'benefits' that can be given without shareholder approval to persons (or persons or entities connected with persons) who hold a 'managerial or executive office' in a company (as defined and interpreted under and in accordance with the Corporations Act) on their 'retirement' from office or position of employment (as defined and interpreted under and in accordance with the Corporations Act).

Under the Corporations Act, the term 'benefit' has a wide meaning and may possibly include benefits resulting from the Board exercising discretions under the rules of the Share Plan when a participant ceases to be employed by (or hold office with) the Company or a related body corporate of the Company.

Under the rules of the Share Plan, the Board may at any time waive in whole or in part any terms or conditions (including any vesting conditions) in relation to any Shares issued to a participant. As a feature of the Share Plan, the Company will provide financial assistance to participants in the form of loans, which will be interest free and fee-free, limited recourse loans. Under both the rules of the Share Plan and the terms of the loan agreement between the Company and a participant, the Company can in its discretion defer the repayment date of the relevant loan where the participant ceases to be employed, contracted or otherwise engaged by the Company or a related body corporate of the Company. The exercise of discretions under the Share Plan or loan agreement may constitute a 'benefit' for the purposes of section 200B of the Corporations Act.

In this context, Shareholders are being asked to approve any exercise of the Board's discretion in respect of any participant under the Share Plan, or loan agreement, who holds Shares under the Share Plan at the time of their 'retirement' from office or position of employment and who would otherwise fall within the scope of application of the retirement benefits regime in Part 2D.2 of the Corporations Act.

The value of the retirement 'benefits' that the Company may give under the Share Plan or loan agreement cannot be determined in advance. This is because various matters will (or are likely to) affect that value. In particular, the value of a particular 'benefit' will depend on factors such as the price of Shares at the relevant time and the number of Shares that the Board exercises its discretion in relation to. The following additional factors may also affect the value of a 'benefit':

- (a) the portion of any relevant performance periods that have elapsed at the time of their 'retirement' from office or position of employment;
- (b) the number of unvested Shares that the relevant participant holds at the time of their 'retirement' from office or position of employment;
- (c) the circumstances of and reasons for the relevant participant ceasing to be an officer or ceasing to be employed;
- (d) the amount of any loan that remains outstanding in connection with the relevant Shares; and
- (e) the time that has elapsed since the relevant Shares were granted relative to the vesting date.

**Listing Rule 10.19**

Approval is also sought for the purposes of Listing Rule 10.19 which provides that, without the 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 are or 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.

'Termination benefits' are 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.

As noted above, under the rules of the Share Plan, the Board may at any time waive in whole or in part any terms or conditions (including any vesting conditions) in relation to any Shares issued to a participant. Under both the rules of the Share Plan and the terms of the loan agreement between the Company and a participant, the Company can in its discretion defer the repayment date of the relevant loan where the participant ceases to be employed, contracted or otherwise engaged by the Company or a related body corporate of the Company. The exercise of discretions under the Share Plan or loan agreement may constitute a 'termination benefit' for the purposes of Listing Rule 10.19.

Depending upon the value of the termination benefits, and the equity interests of the Company at the time such benefits may crystallise, it is uncertain if the value of the termination benefits would exceed the 5% threshold provided for in Listing Rule 10.19. Shareholder approval is therefore being sought under the Listing Rule in order to give the Company maximum flexibility, in case the value of the termination benefits exceeds this 5% threshold.

As noted above, the value of the termination benefits that the Company may give under the Share Plan or loan agreement cannot be determined in advance and will depend on a range of factors, including those outlined above.

**6.5 Directors' recommendation**

As all Directors may have an interest in the outcome of Resolution 6, the Directors abstain from making a recommendation in relation to this Resolution.

**7 RESOLUTION 7 – APPROVAL OF FINANCIAL ASSISTANCE FOR EMPLOYEE SHARE PLAN****7.1 General**

Resolution 7 seeks Shareholder approval of the Share Plan for various purposes under the Corporations Act. The Share Plan is described in further detail in Section 6 and Annexure A.

**7.2 Employee share scheme buy-back**

Section 257B(1) of the Corporations Act sets out the procedure for various forms of share buy-back, including an 'employee share scheme buy-back' (as that term is defined in the Corporations Act). Resolution 7 is proposed for the purpose of the definition of employee share buy-back so as to permit the Company to undertake a buy-back of Shares under the Share Plan (e.g. in situations where Shares are forfeited in accordance with the terms of issue) using the employee share scheme buy-back procedure under the Corporations Act, without the need for separate shareholder approval at the time of the buy-back.

No employee share buy-back is currently proposed in relation to the Share Plan. However, the passing of Resolution 7 will empower the Company to undertake a buy-back of Shares under the Share Plan at some future time, if need be, without Shareholder approval being required using the employee share scheme buy-back procedure.

**7.3 Enable the Company to take security over its own Shares**

Section 259B(1) of the Corporations Act prohibits a company taking security over shares in itself or in a company that controls it, unless one of the exceptions in subsections 259B(2) or 259B(3) applies. Section 259B(2) provides that a company may take security over shares in itself under an employee share scheme that has been approved by a resolution passed at a general meeting of the company.

Shareholders are asked to approve the Share Plan in order for the Board to have the ability to take security over Shares issued under the Share Plan and the respective loan agreement to be entered into between the Company and the eligible participant.

**7.4 Financial assistance**

Section 260A of the Corporations Act provides that a company may financially assist a person to acquire shares in the company or a holding company of the company only if:

- (a) giving the assistance does not materially prejudice the interests of the company or its shareholders or the company's ability to pay its creditors;
- (b) the assistance is approved by shareholders under section 260B; or
- (c) the assistance is exempted under 260C.

Section 260C of the Corporations Act provides for certain specific instances of exempted financial assistance, including a special exemption for employee share schemes that have been approved by a resolution passed at a general meeting of a company (section 260C(4)).

As a feature of the Share Plan, the Company will provide financial assistance to participants in the form of interest free and fee-free, limited recourse loans.

Whilst the Board does not believe that the provision of financial assistance to participants to enable them to participate in the Share Plan will materially prejudice the interests of the Company or its Shareholders, or the Company's ability to pay its creditors, the Board has recommended that Shareholder approval be sought to approve the Share Plan to ensure that the Share Plan qualifies for the special exemption under section 260C(4) of the Corporations Act.

**7.5 Directors' recommendation**

As all Directors may have an interest in the outcome of Resolution 7, the Directors abstain from making a recommendation in relation to this Resolution.

## **8 RESOLUTION 8 – APPROVAL OF INCENTIVE AWARDS PLAN**

### **8.1 General**

Resolution 8 seeks Shareholder approval for the adoption of the employee incentive scheme titled “Incentive Awards Plan” (**Incentive Awards Plan**) and for the issue of equity securities under the Incentive Awards Plan in accordance with Listing Rules 7.2 (Exception 13(b)) and 10.19, and for the purposes of sections 200B and 200E of the Corporations Act.

Following recommendations received from a remuneration consultant (refer Section 9.1 below) the Company has adopted the Incentive Awards Plan to allow the Company flexibility to incentivise and motivate certain eligible persons including key management personnel, other employees and Directors through the issue of short term and long-term equity incentives in the form of options and performance rights. A new separate incentive plan was adopted as the existing Employee Share Plan is limited to the issue of Shares. The Incentive Awards Plan is proposed to be used to issue Patrick Mutz with STI and LTI performance rights as detailed in Section 9 below.

It is the Board’s intention to issue equity securities under the Incentive Award Plan to Key Management Personnel, when and if deemed appropriate, to incentivise and motivate employee efforts, to improve employee retention, and to better align incentive awards with longer-term shareholder returns.

### **8.2 Listing Rule 7.2 (Exception 13(b))**

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

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity’s ordinary securities have approved the issue of equity securities under the scheme as an exception to Listing Rule 7.1.

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

If Resolution 8 is passed, the issue of equity securities to eligible participants under the Incentive Awards Plan (up to the maximum number of equity securities stated in Section 8.3 below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1 for a period of three years from the date the Resolution is approved.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of Shares under the Incentive Awards Plan to a Director (or their Associates) or a person whose relationship with the Company or a Director (or their Associates) is, in ASX’s opinion, such that approval should be obtained.

If Resolution 8 is not passed, the Company will still be able to proceed with the issue of equity securities under the Incentive Awards Plan to eligible participants (not including Directors, issues to whom will require separate approval and to the extent that the Company has available capacity under Listing Rule 7.1), but any issues of Shares will reduce, to that extent, the Company’s capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the issue of the securities.

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

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13(b)), the following information is provided in relation to the Incentive Awards Plan:

- (a) a summary of the terms of the Incentive Awards Plan is set out in Annexure B;
- (b) as at the date of this Explanatory Statement, no equity securities have been issued under the Incentive Awards Plan;
- (c) the maximum number of equity securities proposed to be issued under the Incentive Awards Plan, in aggregate over a 3-year period, in reliance on Listing Rule 7.2 (Exception 13(b)) is 25 million equity securities (representing approximately 1.4% of the Company’s issued Share capital as at the date of the Notice). This maximum is not intended to be a prediction of the actual number of equity securities to be issued under the Incentive Awards Plan but is specified for the purposes of setting a ceiling on the number of equity securities approved to be issued for the purposes of Listing Rule 7.2 (Exception 13(b)); and
- (d) a voting exclusion statement is included in Resolution 8 of the Notice of Meeting.

## 8.4 Termination benefits

### Overview

Shareholder approval is also being sought under section 200E of the Corporations Act, as well as under Listing Rule 10.19, to permit the Company to give certain termination benefits to a 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 subsidiary of the Company. Specifically, the benefits for which the Company seeks Shareholder approval are benefits that may be given in circumstances where the Board exercises its discretion under the Incentive Awards Plan in certain situations. In particular, the terms of the Incentive Awards Plan provide that the Board may at any time waive or reduce any of the vesting conditions in relation to any equity securities issued under the Incentive Awards Plan. The terms of the Incentive Awards Plan also permit the Board to, having regard to the circumstances at the time, waive a condition (including a time period) that prevents disposal of any equity securities issued under the Incentive Awards Plan until that condition has been satisfied.

### Sections 200B and 200E of the Corporations Act

Section 200B of the Corporations Act restricts the range of 'benefits' that can be given without shareholder approval to persons (or persons or entities connected with persons) who hold a 'managerial or executive office' in a company (as defined and interpreted under and in accordance with the Corporations Act) on their 'retirement' from office or position of employment (as defined and interpreted under and in accordance with the Corporations Act).

Under the Corporations Act, the term 'benefit' has a wide meaning and may possibly include benefits resulting from the Board exercising discretions under the rules of the Incentive Awards Plan, including when a participant ceases to be employed by (or hold office with) the Company or a related body corporate of the Company.

Under the rules of the Incentive Awards Plan, the Board may at any time waive or reduce any of the vesting conditions in relation to any equity securities issued to a participant, and may, having regard to the circumstances at the time, waive a condition (including a time period) that prevents disposal of any equity securities issued under the Incentive Awards Plan until that condition has been satisfied. The exercise of discretions such as these under the Incentive Awards Plan may constitute a 'benefit' for the purposes of section 200B of the Corporations Act.

In this context, Shareholders are being asked to approve any exercise of the Board's discretion in respect of any participant under the Incentive Awards Plan who holds equity securities under the Incentive Awards Plan at the time of their 'retirement' from office or position of employment and who would otherwise fall within the scope of application of the retirement benefits regime in Part 2D.2 of the Corporations Act.

The value of the retirement 'benefits' that the Company may give under the Incentive Awards Plan cannot be determined in advance. This is because various matters will (or are likely to) affect that value. In particular, the value of a particular 'benefit' will depend on factors such as the price of equity securities at the relevant time and the number of equity securities that the Board exercises its discretion in relation to. The following additional factors may also affect the value of a 'benefit':

- (a) the portion of any relevant performance periods that have elapsed at the time of their 'retirement' from office or position of employment;
- (b) the extent to which any vesting conditions have been satisfied at the time of their 'retirement' from office or position of employment;
- (c) the number of unvested equity securities that the relevant participant holds at the time of their 'retirement' from office or position of employment;
- (d) the circumstances of and reasons for the relevant participant ceasing to be an officer or ceasing to be employed; and
- (e) the time that has elapsed since the relevant equity securities were granted relative to the vesting date.

### Listing Rule 10.19

Approval is also sought for the purposes of Listing Rule 10.19 which provides that, without the 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 are or 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.

'Termination benefits' are 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.

As noted above, under the rules of the Incentive Awards Plan, the Board may at any time waive or reduce any of the vesting conditions in relation to any equity securities issued to a participant, and may, having regard to the circumstances at the time, waive a condition (including a time period) that prevents disposal of any equity securities issued under the

Incentive Awards Plan until that condition has been satisfied. The exercise of discretions such as these under the Incentive Awards Plan may constitute a 'termination benefit' for the purposes of Listing Rule 10.19.

Depending upon the value of the termination benefits, and the equity interests of the Company at the time such benefits may crystallise, it is uncertain if the value of the termination benefits would exceed the 5% threshold provided for in Listing Rule 10.19. Shareholder approval is therefore being sought under the Listing Rule in order to give the Company maximum flexibility, in case the value of the termination benefits exceeds this 5% threshold.

As noted above, the value of the termination benefits that the Company may give under the Incentive Awards Plan cannot be determined in advance and will depend on a range of factors, including those outlined above.

## **8.5 Directors' recommendation**

As all Directors have (or may have) an interest in the outcome of Resolution 8, the Directors abstain from making a recommendation in relation to this Resolution.

## **9 RESOLUTION 9 – APPROVAL TO GRANT PERFORMANCE RIGHTS TO EXECUTIVE DIRECTOR MR MUTZ**

### **9.1 General**

During CY2022, the Company (through the Remuneration Committee, now the Remuneration & Nomination Committee) engaged BDO Remuneration and Reward Advisory Services (**BDO**) to benchmark individual executive remuneration against similar positions of a selective group of peer companies thought to be appropriate with regard to relative market capitalisation, number of employees and number of operations, and to recommend changes to the remuneration program with respect to fixed remuneration, short-term incentives and long-term incentives, with the objective of ensuring executive remuneration is market competitive and looking to improve alignment with shareholder value.

BDO's approach was to recommend remuneration program features that have already been adopted by other resources companies and accepted by their shareholders and therefore considered to align with shareholder expectations. BDO's key recommendations included:

- (a) the development of more comprehensive short-term incentive (**STI**) and long-term incentive (**LTI**) plans;
- (b) measuring performance based on key performance indicators;
- (c) establishing an appropriate peer group of companies for market comparisons of total fixed remuneration (**TFR**) and total incentive opportunity;
- (d) STI to include mix of cash and equity, with 12-month and 24-month vesting periods on 1/3 and 2/3s of equity component respectively;
- (e) LTI vesting period to increase from one year to three years to align with longer term Shareholder value; and
- (f) utilising the services of an independent remuneration consultant to ensure appropriate market comparisons, performance ratings and incentive awards.

BDO's recommendations were endorsed by the Board and adopted for application for the 2022-23 performance year (the 12 months ending 30 June 2023), subject to any required Shareholder approvals being obtained, such as for new equity instruments.

Resolution 9 seeks Shareholder approval under Listing Rule 10.14 to permit the Board to grant the executive Director of the Company, Mr Mutz (or his nominees), Performance Rights under the new Incentive Awards Plan the subject of Resolution 8 (refer to Section 8 of this Explanatory Statement for further information on the Incentive Awards Plan). If Resolution 9 is approved, Mr Mutz's maximum opportunity across a three-year performance period for both STI and LTI awards equals 140% of his TFR (i.e. \$919,996 (which is comprised of \$219,047 in cash and \$701,168 in Performance Rights), but with only an indicative 5% probability of achieving the maximum opportunity.

The proposed Performance Rights consist of:

- (a) STI Performance Rights designed to reward Mr Mutz for achievement against key performance indicators (**KPIs**) set by the Board in relation to the 12-month period ending 30 June 2023; and
- (b) LTI Performance Rights designed to reward Mr Mutz for achievement against KPIs set by the Board in relation to the 36-month period ending 30 June 2025.

Each Performance Right is exercisable, prior to its expiry date, for nil cash consideration, into one Share, subject to the satisfaction of any applicable vesting conditions, including achievement of relevant KPIs. A Performance Right lapses if applicable vesting conditions are not satisfied (unless waived by the Board in its discretion).

BDO's recommended remuneration program, including performance ratings, is designed such that there is indicatively a 5% probability of achieving 100% of the maximum incentive opportunity under each of the STI and LTI programs, and indicatively a 50% probability of achieving 50% of the maximum incentive opportunity under each of the STI and LTI programs. The Board also has the right to exercise discretion and use its judgement to determine that the incentive awards could be nil under certain circumstances.

A summary of the remuneration package for Mr Mutz, including the proposed STI and LTI programs, is set out in the table below. Refer to Sections 9.2 and 9.3 below for further information on the STI and LTI Performance Rights.

Current TFR	Remuneration type	Maximum STI Opportunity <sup>1</sup>		Maximum LTI Opportunity <sup>1</sup>		Maximum STI & LTI Opportunity <sup>1</sup>	
		% of TFR	Value	% of TFR	Value	% of TFR	Value
\$657,140		50%	\$328,570	90%	\$591,426	140%	\$919,996
	Cash <sup>2</sup>	33.5%	\$220,142	0%	\$0	33.5%	\$220,142
	Performance Rights <sup>3,4</sup>	16.5%	\$108,428	90%	\$591,426	106.5%	\$699,854

Notes:

1. Program designed with indicative 5% chance of achieving 100% of maximum; 50% chance of achieving 50% of maximum; and 5% chance of 0% of maximum.
2. Cash component opportunity represents 67% of maximum STI opportunity payable at end of annual performance year (30 June) and subject to performance scoring.
3. STI Performance Rights component opportunity represents 33% of maximum STI opportunity. STI Performance Rights to be issued at end of annual performance year (30 June) subject to performance scoring. 33% of issued STI Performance Rights vest in 12 months and 67% vest in 24 months, with vesting conditions being continuation of employment.
4. LTI Performance Rights component opportunity represents 100% of maximum LTI opportunity. LTI Performance Rights to be issued based on the 20-day VWAP ending on 30 June. Vesting based on performance scoring determined at the end of three-year performance period.

Any STI Performance Rights that vest will expire on 30 June 2026 while any LTI Performance Rights that vest will expire on 30 June 2027.

The Performance Rights are otherwise subject to the terms and conditions of the Incentive Awards Plan, which is summarised in Annexure B.

## 9.2 STI Performance Rights

The Board has, as recommended by BDO, adopted a maximum STI opportunity for Mr Mutz of 50% of his TFR (i.e. 50% of TFR of \$657,140 being \$328,570), with two-thirds of the STI payable in cash (i.e. two-thirds of \$328,570 being \$219,047), and one-third in equity (i.e. one-third of \$328,570 being \$109,742), subject to achievement of applicable STI KPIs.

The Board intends, subject to Shareholder approval, to grant Mr Mutz (or his nominees) STI Performance Rights as the equity component of his STI with a maximum opportunity value of up to \$109,742 (being one-third of maximum STI opportunity and 16.7% of his current TFR of \$657,140).

The Board has established STI KPIs based on the following business areas and associated weightings in relation to the 12-month period ending 30 June 2023: Operational (30% weighting), Financial (30% weighting), Growth (20% weighting) and Environmental, Social and Governance (20% weighting). There is also a condition precedent to the issue of the STI Performance Rights that at least 85% of the budgeted Company EBITDA, adjusted for foreign exchange and commodity prices, is achieved, failing which no STI Performance Rights will be issued.

The Board will determine Mr Mutz's performance against the STI KPIs shortly after 30 June 2023 and will use that STI performance score to determine the percentage of the maximum STI opportunity achieved (**Percentage STI Achievement**). BDO's recommended STI performance scoring is designed to target a Percentage STI Achievement of 60% (i.e. 60% of \$328,570 being \$197,142 which is 30% of TFR), with only an indicative 5% probability of the Percentage STI Achievement being 100% of the maximum STI opportunity.

The number of STI Performance Rights issued will be calculated by multiplying the maximum opportunity value of \$109,742 by the Percentage STI Achievement and dividing the result by the 20-day VWAP ending 30 June 2023, with the Company intending to issue the STI Performance Rights as soon as practicable following the determination of the 20-day VWAP and Percentage STI Achievement.

For example, if the Percentage STI Achievement is assessed by the Board to be 60%, and the 20-day VWAP is \$0.15, Mr Mutz (or his nominees) will be issued 438,968 STI Performance Rights.

One-third of the STI Performance Rights issued will be subject to a vesting condition that Mr Mutz remains an employee of the Company until 30 June 2024, with the remaining STI Performance Rights subject to a vesting condition that Mr Mutz remains an employee of the Company until 30 June 2025.

### **9.3 LTI Performance Rights**

The Board has, as recommended by BDO, adopted a maximum LTI opportunity for Mr Mutz equal to 90% of his TFR.

The Board intends, subject to Shareholder approval, to grant Mr Mutz (or his nominees) LTI Performance Rights with a maximum opportunity value of up to \$591,426, being 90% of his TFR.

The number of LTI Performance Rights issued will be calculated by dividing \$591,426 by the 20-day VWAP ending 30 June 2023, with the Company intending to issue the LTI Performance Rights as soon as practicable following the determination of the 20-day VWAP.

For example, if the 20-day VWAP is \$0.15, Mr Mutz (or his nominees) will be issued 3,942,840 LTI Performance Rights and with vesting rights subject to performance rating against LTI KPIs.

The Board has established LTI KPIs based on the following business areas and associated weightings in relation to the 36-month period ending 30 June 2025: Total Shareholder Returns (50% weighting), Ore Reserves (30% weighting) and Growth & Sustainability (20% weighting). There is also a vesting condition that there are no fatalities in the final 12-months of the performance period that, if not achieved, will result in no LTI Performance Rights vesting for that performance period. Refer to Annexure C for further details on the LTI KPIs.

The Board will determine Mr Mutz's performance against the LTI KPIs shortly after 30 June 2025 and will use that LTI performance score to determine the percentage of the LTI opportunity achieved (**Percentage LTI Achievement**). The design of LTI performance scoring, as recommended by BDO, targets a Percentage LTI Achievement of 60%, and with only an indicative 5% probability of Percentage LTI Achievement being 100%. The number of LTI Performance Rights that vest after 30 June 2025 will reflect the Percentage LTI Achievement. Any LTI Performance Rights that do not vest will lapse.

For example, if the Percentage LTI Achievement is 60%, a total of 2,365,704 LTI Performance Rights will vest after 30 June 2025, with the remaining LTI Performance Rights lapsing.

### **9.4 Listing Rule approval**

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- (a) a director of the company (Listing Rule 10.14.1);
- (b) an associate of a director of the company (Listing Rule 10.14.2); or
- (c) a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 to Listing Rule 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Performance Rights falls within Listing Rule 10.14.1 (as Mr Mutz is a Director) and therefore requires the approval of the Company's Shareholders under Listing Rule 10.14.

Resolution 9 seeks the required Shareholder approval to the proposed issue of Performance Rights to Mr Mutz under and for the purposes of Listing Rule 10.14.

If Resolution 9 is passed, the Board will grant Mr Mutz (or his nominee) with STI Performance Rights with a maximum opportunity value of \$109,742 and LTI Performance Rights with a maximum opportunity value of \$591,426.

If Resolution 9 is not passed, the Board will not have the flexibility to appropriately incentivise the performance of Mr Mutz by the issue of Performance Rights and the Company will negotiate with Mr Mutz an appropriate alternative payment, seeking further Shareholder approval if required.

If Resolution 9 is approved for the purposes of Listing Rule 10.14, pursuant to Listing Rule 7.2 (Exception 14), the grant of any Performance Rights will not reduce the Company's 15% placement capacity under Listing Rule 7.1 and separate approval of Resolution 9 is not required under Listing Rule 7.1. In addition, approval under Listing Rule 10.14 is an exception to the prohibition on a company issuing shares to related parties without member approval under Listing Rule 10.11.

**9.5 Information required by Listing Rule 10.15**

In accordance with Listing Rule 10.15, the Company provides the following information.

- (a) The Performance Rights to be issued pursuant to Resolution 9 will be granted to Mr Mutz, the Managing Director of the Company, or his nominees. No other Directors are entitled to participate in the issue of Performance Rights under this approval.
- (b) The issue of Performance Rights under Resolution 9 falls under Listing Rule 10.14.1 as Mr Mutz is a Director.
- (c) The maximum number of Performance Rights that could be issued to Mr Mutz pursuant to this approval is that number calculated by dividing \$701,168 (being the total maximum opportunity value for both the STI Performance Rights and the LTI Performance Rights, and with an indicative probability of only 5% of achieving the maximum opportunity) by the 20-day VWAP ending 30 June 2023. The table below discloses the maximum number of Performance Rights that may be granted for a range of 20-day VWAPs.

20-day VWAP	Maximum No. of STI Performance Rights	Maximum No. LTI Performance Rights	Total
\$0.08	1,371,775	7,392,825	<b>8,764,600</b>
\$0.10	1,097,420	5,914,260	<b>7,011,680</b>
\$0.12	914,516	4,928,550	<b>5,843,066</b>
\$0.14	783,871	4,224,471	<b>5,008,342</b>
\$0.16	685,887	3,696,412	<b>4,382,299</b>

- (d) Details of the current total remuneration package for Mr Mutz (inclusive of superannuation and equity-based remuneration) for the current financial year, and for the previous financial year, is set out below. This is in addition to the Performance Rights proposed to be granted under Resolution 9:

Director	Current financial year to 31 December 2023 (estimate)	Financial year ended 31 December 2022
Mr Mutz	Up to \$829,225 comprising: <ul style="list-style-type: none"> <li>• \$657,140 salary and superannuation</li> <li>• up to \$132,085 cash bonus</li> <li>• \$40,000 non-monetary benefits</li> </ul>	\$788,674 comprising: <ul style="list-style-type: none"> <li>• \$557,615 salary and superannuation</li> <li>• \$185,687 cash bonus</li> <li>• \$45,372 non-monetary benefits</li> </ul>

Full details of Mr Mutz's remuneration for the financial year ended 31 December 2022 are set out in the Remuneration Report as set out in the Company's Annual Report on pages 42 to 48.

- (e) No securities have previously been issued to Mr Mutz pursuant to the Incentive Awards Plan.
- (f) A summary of the material terms of the Performance Rights is set out at Annexure C to this Explanatory Statement.
- (g) The Company wishes to grant Performance Rights as:
  - (i) they will align the interests of Mr Mutz with those of Shareholders given the longer vesting periods and vesting conditions nominated;
  - (ii) they minimize dilution to Shareholders compared with the grant of options;
  - (iii) the Board believes that the issue is a reasonable and appropriate method to provide market-competitive and cost-effective remuneration as the non-cash form of this benefit which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Mutz; and
  - (iv) they are simpler to administer than the grant of Shares that would need to be cancelled if the vesting conditions are not satisfied or waived.
- (h) The maximum total value of the Performance Rights proposed to be issued to Mr Mutz (or his nominees) is \$701,168, being the combined value of a maximum opportunity value of \$109,742 available as an STI (being one-third of his STI opportunity and 16.7% of his current TFR of \$657,140) and a maximum opportunity value of \$591,426 available as an LTI (being 90% of his current TFR of \$657,140). Refer to the table in (c) above for the maximum number of Performance Rights that could be issued to Mr Mutz at a range of 20-day VWAP's.
- (i) It is expected that any Performance Rights that are issued to Mr Mutz (or his nominees), if Shareholder approval is received for Resolution 9, will be issued no later than three months after the date of the 2023 AGM, but in any event within three years of the 2023 AGM.

- (j) The Performance Rights will be granted for nil cash consideration; accordingly, no funds will be raised.
- (k) A summary of the material terms of the Incentive Awards Plan under which the Performance Rights will be granted is set out in Annexure B to this Explanatory Statement.
- (l) No loan has or will be provided to Mr Mutz in relation to the issue or subsequent exercise of the Performance Rights.
- (m) Details of any equity securities issued under the Incentive Awards Plan will be published in each annual report of the Company relating to a period in which they were issued, along with a statement that approval for the issue of the equity securities was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Incentive Awards Plan after Resolution 9 is approved and who are not named in this Notice of Meeting will not participate until approval is obtained under Listing Rule 10.14.
- (n) A voting exclusion statement in respect of Resolution 9 is included in the Notice of Meeting.

## **9.6 Chapter 2E**

Chapter 2E of the Corporations Act regulates the provision of "financial benefits" to "related parties" by a public company. For the purposes of Chapter 2E, Mr Mutz, being the Managing Director is a "related party" of the Company and the grant of the Performance Rights will constitute the giving of a "financial benefit".

The Board considers that the grant of Performance Rights to Mr Mutz will be an appropriate and reasonable component of his remuneration, and that the financial benefit represented by the grant of the Performance Rights will fall within the "reasonable remuneration" exception in section 211 of the Corporations Act. For this reason, the Company is not seeking Shareholder approval of Resolution 9 for the purposes of Chapter 2E of the Corporations Act.

## **9.7 Directors' recommendation**

Based on the information available, including the information contained in this Explanatory Statement, the Directors (other than Mr Mutz) consider that Resolution 9 will provide the Board with the flexibility to incentivise and remunerate Mr Mutz through the grant of Performance Rights rather than, for example, a higher cash-based component of remuneration and believe that Resolution 9 is in the interests of the Company.

Accordingly, all the Directors (other than Mr Mutz because of his interest in this Resolution) unanimously recommend that Shareholders vote in favour of Resolution 9.

## **10 RESOLUTION 10 – INCREASE IN MAXIMUM AGGREGATE REMUNERATION FOR NON-EXECUTIVE DIRECTORS**

### **10.1 General**

Listing Rule 10.17 and rule 13.9(c) of the Constitution provide that the maximum aggregate amount of the remuneration payable as Directors' fees to non-executive Directors (**NED Fee Cap**) must not be increased except with the prior approval of Shareholders.

The current NED Fee Cap of \$500,000 was set at the Company's 2020 AGM. The remuneration paid by the Company to the executive Directors is not included in the NED Fee Cap. The relevant remuneration is all fees payable to a non-executive Director for acting as a director of the Company (including attending and participating in any Board committee meetings) and includes superannuation contributions for the benefit of a non-executive Director and any fees which a non-executive Director agrees to sacrifice for other benefits. However, in accordance with Listing Rule 10.17, the NED Fee Cap does not include the re-imbursment of genuine out-of-pocket expenses, genuine "special exertion" fees payable in accordance with the Company's Constitution or any equity securities issued to a non-executive Director with the prior approval of Shareholders pursuant to Listing Rule 10.11 and/or 10.14.

As set out in further detail in Section 10.2 below, the Directors consider it is reasonable and appropriate at this time to seek Shareholder approval for an increase to the NED Fee Cap (for the purposes of Listing Rule 10.17) in recognition of the need to pay market competitive fees to ensure the Company is able to attract and retain non-executive Directors of the requisite calibre for the Company's Board and in recognition of Directors' expanding roles of oversight given ever expanding and more onerous governance requirements and the recently adopted growth and sustainability strategy which focuses on transitioning the Company from a single operation, single product (heavy mineral concentrate) and single geographical customer base, to multiple operations, multiple products and expanded geographical customer base.

If Resolution 10 is passed, the NED Fee Cap will increase from \$500,000 to a maximum of \$700,000 (an increase of \$200,000). This will allow the Company to increase the fees paid to the Company's non-executive Directors (as shown in Section 10.2 of this Explanatory Statement below) as recommended by the Company's independent remuneration consultant and advisor, BDO.

If Resolution 10 is not passed, the Company will not be able to increase the fees paid to its non-executive Directors as recommended.

**10.2 Non-executive Director fee review**

The Remuneration Committee (now the Remuneration & Nomination Committee) engaged BDO to review, among other things, non-executive Director remuneration against the same basket of peer companies used for the executive remuneration benchmarking, and to make recommendations to ensure market competitiveness. Refer to Section 9.1 of this Explanatory Statement for further information on the BDO review.

BDO identified that non-executive Director fees were substantially below market levels and recommended that fees increase.

The current remuneration for each of the non-executive Directors is set out in the table below:

<b>Director</b>	<b>Annual Director Fees<sup>1</sup> (inclusive of superannuation)</b>	<b>Committee Fees<sup>2</sup> (inclusive of superannuation)</b>
Robert Besley <sup>3</sup>	\$100,000	Nil
Chaodian Chen	\$60,000	Nil
Winston Lee <sup>4</sup>	\$60,000	\$6,000
Aaron Chong Veoy Soo <sup>5</sup>	\$60,000	\$6,000
Peter Thomas <sup>6</sup>	\$60,000	\$12,000
Ran Xu	\$60,000	Nil
<b>Total</b>	<b>\$400,000</b>	<b>\$24,000</b>

Notes:

1. Exclusive of committee fees.
2. Committee chair fees \$6,000 and committee member fees \$6,000.
3. Chair of Remuneration & Nomination Committee and member of Audit & Risk Committee. Board chair does not receive committee fees.
4. Member of Remuneration & Nomination Committee.
5. Member of Audit & Risk Committee.
6. Chair of Audit & Risk Committee and member of Remuneration & Nomination Committee.

Assuming that the increased NED Fee Cap is approved pursuant to Resolution 10, the proposed remuneration for each of the non-executive Directors is set out in the table below:

<b>Director</b>	<b>Annual Director Fees<sup>1</sup> (inclusive of superannuation)</b>	<b>Committee Fees<sup>2</sup> (inclusive of superannuation)</b>
Robert Besley <sup>3</sup>	\$171,000	Nil
Chaodian Chen	\$88,000	Nil
Winston Lee <sup>4</sup>	\$80,000	\$6,000
Aaron Chong Veoy Soo <sup>5</sup>	\$88,000	\$6,000
Peter Thomas <sup>6</sup>	\$100,500	\$16,000
Ran Xu	\$80,000	Nil
<b>Total</b>	<b>\$607,500</b>	<b>\$28,000</b>

Notes:

1. Exclusive of committee fees.
2. Committee chair fees \$10,000 and committee member fees \$6,000.
3. Chair of Remuneration & Nomination Committee and member of Audit & Risk Committee. Board chair does not receive committee fees.
4. Member of Remuneration & Nomination Committee.
5. Member of Audit & Risk Committee.
6. Chair of Audit & Risk Committee and member of Remuneration & Nomination Committee.

The Company is also considering providing up to 33% of the fees payable to non-executive Directors to be satisfied through the issue of equity securities to the non-executive Directors. Any proposal to provide equity securities to non-executive Directors as part of their Directors' fees would be subject to Shareholder approval pursuant to Listing Rule 10.11 and/or

10.14. As set out above, the value of any equity securities issued to non-executive Directors under Listing Rule 10.11 and/or 10.14 with the prior approval of Shareholders does not count towards the NED Fee Cap.

Shareholders should be aware that in the past three years, the Company has issued a total of 10,000,000 options (**Options**) to acquire Shares to non-executive Directors pursuant to Listing Rule 10.11 with the approval of Shareholders (obtained at the Company's AGM held on 27 May 2021). These Options were issued to the following non-executive Directors:

<b>Non-Executive Director</b>	<b>Number of Options (exercise price \$0.32, expiring 27 May 2023)</b>
Robert Besley	2,000,000
Huang Cheng Li*	2,000,000
Chaodian Chen	2,000,000
Aaron Soo	2,000,000
Peter Thomas	2,000,000

\* Options lapsed and were cancelled in accordance with their terms when Mr Li ceased to be a Director on 30 May 2022.

No securities have been issued to non-executive Directors pursuant to Listing Rule 10.14 with Shareholder approval within the past three years.

The Board considers it appropriate to put this proposed NED Fee Cap increase to the Shareholders at this time. Disclosure of Directors' remuneration will continue to be made to Shareholders in each annual report in accordance with applicable legal and ASX requirements. If Shareholder approval is obtained, the increased fee pool will apply for the whole financial year ending 31 December 2023.

### **10.3 Voting exclusion**

A voting exclusion statement applies to Resolution 10, as set out in the Notice.

### **10.4 Directors' recommendation**

Given the interest of the non-executive Directors in this Resolution, the Board (other than the Managing Director) makes no recommendation to Shareholders regarding this Resolution. The Managing Director recommends that Shareholders vote in favour of Resolution 10.

## GLOSSARY

In this Explanatory Statement and the Notice, the following terms have the following meanings unless the context otherwise requires:

<b>\$</b>	means Australian dollar.
<b>20 day VWAP</b>	means the VWAP Share price over 20 consecutive trading days.
<b>AGM</b>	means an annual general meeting.
<b>Annual Report</b>	means the Directors' Report, the Financial Report and Auditor's Report in respect of the financial year ended 31 December 2022.
<b>Associate</b>	has the same meaning as the meaning prescribed by Listing Rule 19.12.
<b>ASX</b>	means ASX Ltd ABN 98 008 624 691 and, where the context requires, the financial market operated by it.
<b>Auditor's Report</b>	means the auditor's report on the Financial Report.
<b>BDO</b>	means the Remuneration and Reward Advisory Services of BDO Australia.
<b>Board</b>	means the board of Directors.
<b>Chair</b>	means the person chairing the Meeting from time to time.
<b>Closely Related Party</b>	of Key Management Personnel means: <ul style="list-style-type: none"><li>• a spouse or child of the member;</li><li>• a child of the member's spouse;</li><li>• a dependent of the member or the member's spouse;</li><li>• anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member in the member's dealings with the Company;</li><li>• company the member controls; or</li><li>• a person prescribed by the Corporations Regulations 2001 (Cth).</li></ul>
<b>Company or Image</b>	means Image Resources NL ABN 57 063 977 579.
<b>Constitution</b>	means the Company's constitution, as amended from time to time.
<b>Corporations Act</b>	means <i>Corporations Act 2001</i> (Cth).
<b>Director</b>	means a director of the Company.
<b>Directors' Report</b>	means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company.
<b>Employee Share Plan or Share Plan</b>	means the employee share plan proposed to be approved by Shareholders pursuant to Resolution 6, a summary of the terms and conditions of which is set out at Annexure A.
<b>Explanatory Statement</b>	means the Explanatory Statement which provides information to Shareholders about the Resolutions contained in the Notice.
<b>Financial Report</b>	means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company.
<b>Incentive Awards Plan</b>	means the incentive awards plan proposed to be approved by Shareholders pursuant to Resolution 8, a summary of the terms and conditions of which is set out at Annexure B.
<b>Key Management Personnel</b>	has the same meaning given in the accounting standards. Broadly speaking this includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any Directors of the Company.
<b>KPI</b>	means key performance indicators.
<b>Listing Rules</b>	means the listing rules of the ASX, from time to time and as modified by any express waiver given by ASX.

<b>LTI</b>	means long term incentive.
<b>Meeting</b>	means the annual general meeting of Shareholders to be held at Brookfield Place Tower 2, Level 6, 123 St George's Terrace, Perth WA 6000 on 30 May 2023 at 10:00am (WST), or any adjournment thereof.
<b>NED Fee Cap</b>	has the meaning set out in Section 10.1 of the Explanatory Statement.
<b>Notice or Notice of Meeting</b>	means the notice of Meeting, including this Explanatory Statement.
<b>Option</b>	means an option to acquire a Share.
<b>Percentage LTI Achievement</b>	has the meaning given in Section 9.3 of the Explanatory Statement.
<b>Percentage STI Achievement</b>	has the meaning given in Section 9.2 of the Explanatory Statement.
<b>Performance Rights</b>	means rights to be issued Shares in the Company granted under the Incentive Awards Plan on the material terms set out in Annexure C.
<b>Previous Share Plan</b>	has the meaning given in Section 6.3 of the Explanatory Statement.
<b>Proportional Takeover Provisions</b>	have the meaning set out in Section 5.1 of the Explanatory Statement.
<b>Proxy Form</b>	means the proxy form attached to this Notice or other form as approved by the Company.
<b>Remuneration Report</b>	means the remuneration report of the Company contained in the Annual Report.
<b>Resolution</b>	means a resolution set out in the Notice.
<b>Section</b>	means a section of this Explanatory Statement.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means the holder of a Share.
<b>STI</b>	means short term incentive
<b>TFR</b>	means total fixed remuneration.
<b>Trading Day</b>	has the meaning prescribed by Listing Rule 19.12.
<b>VWAP</b>	has the meaning prescribed to the term "volume weighted average market price" by Listing Rule 19.12.
<b>WST</b>	means Australian Western Standard Time as observed in Perth, Western Australia.

## ANNEXURE A

### SUMMARY OF THE TERMS OF THE SHARE PLAN

A summary of the terms of the Share Plan is set out below.

#### 1. Background

Under the Share Plan, an Eligible Person (see paragraph 3.1) may be offered the opportunity to acquire shares in the Company (**Shares**) on the basis the Company loans the participant an amount equal to the purchase price for those Shares.

#### 2. Purpose

The purpose of the Share Plan is to (among other things):

- (a) provide Eligible Persons with an opportunity to share in the growth in value of the Company and to encourage them to improve the performance of the Company and its subsidiaries (**Group**) and the Company's return to Shareholders; and
- (b) enable the Group to retain and attract skilled and experienced employees and provide them with the motivation to make the Group more successful.

#### 3. Eligibility

3.1 The persons eligible to participate in the Share Plan include:

- (a) employees or directors of, or individuals who provide services to, the Group;
- (b) a prospective person to whom paragraph (a) may apply;
- (c) any other person that is a 'primary participant' (as that term is defined in section 1100(L)(1)(a) of the Corporations Act) in relation to the Group; and
- (d) any other person who is declared by the Company's board (**Board**) to be an eligible participant for the purposes of the Plan,

(**Eligible Persons**).

3.2 The Board may, from time to time in its discretion, issue invitations to Eligible Persons to apply for a specified number of Shares and a loan for the purpose of funding the issue price of the Shares on the terms of the Share Plan and on such additional terms as the Board determines, including imposing any restrictions on the disposal of the Shares.

#### 4. Acceptance

In order to accept an invitation to participate in the Share Plan, an Eligible Person must complete, sign, and return the application form accompanying their invitation.

#### 5. Maximum number of Shares to be acquired

5.1 The maximum number of Shares that an Eligible Person may be issued with under the Share Plan will be set out in the invitation.

5.2 In making an invitation, the Board must have regard to any cap imposed on the issue of Shares under Division 1A of Part 7.12 of the Corporations Act.

#### 6. Issue price of Shares and Loan

6.1 The price at which Shares will be issued to an Eligible Person under the Share Plan will be determined by the Board and set out in the invitation.

6.2 The Company will advance (**Loan**) to the Eligible Employee the amount to be paid to acquire Shares under the Employee Share Plan under a loan agreement (**Loan Agreement**) to be entered into by the Eligible Person.

#### 7. Security interest

To the extent permitted by law, the Company will have a first ranking security interest over Shares which are acquired by way of a Loan under the Share Plan to secure the Eligible Person's obligations under the Loan and the Share Plan (including repayment of the Loan).

#### 8. Interest payable on the Loan

There will be no interest or fees payable on the Loan.

**9. Repayment of Loan**

9.1 Eligible Persons are required to repay the Loan from any dividends payable in respect of the relevant Shares. The Company will procure that any dividend payable in respect of Shares is applied in repayment of any portion of the Loan at the time the dividend is paid, and in doing so Image may determine that a portion of any dividend can be retained by the Eligible Person to meet the person's taxation liability incurred in relation to the dividend. The aggregate amount of any Loan that is repaid from dividends is to be applied:

- (a) subject to paragraph (b), to reduce the aggregate Loan outstanding on each Share held by the Eligible Person; and
- (b) where only part of the Loan has been repaid on or before the repayment date, so that the Loan is treated as fully paid on the repayment date in respect of the number of those vested Shares acquired pursuant to the Loan equal to the aggregate amount repaid through the application of dividends to repay the Loan divided by the relevant issue price.

9.2 An Eligible Person must repay the balance of the Loan on the earlier of:

- (a) any date specified in the Loan Agreement;
- (b) the date they fail to comply with any of their other obligations under the Share Plan or the Loan Agreement (where such failure is not remedied within a certain cure period);
- (a) the date they cease to be employed, contracted or otherwise engaged by the Group (or such later date after that cessation as determined by the Company);
- (b) the date they commit an act of bankruptcy;
- (c) the date they die or become incapable of managing their affairs; or
- (d) the date any applicable vesting conditions become incapable of being satisfied.

9.3 An Eligible Person who holds Shares to which no vesting conditions apply can apply to the Company for approval to repay the Loan early in respect of all or some of those Shares. In approving an application for early repayment, the Board may (in its discretion) agree to procure the sale of the relevant Shares.

**10. Limited Recourse**

The only recourse that the Company has is against the Shares issued to the Eligible Person under the Share Plan. That is, the Company has no other right to make a claim against the Eligible Person for failure to repay the Loan. It may only:

- (a) buy-back the Shares and the consideration for the buy-back will be used to repay the Loan; or
- (b) sell the Shares, or transfer the Shares to a person nominated by the Company, and apply the proceeds of sale to first repay the Loan.

**11. Rights as a Shareholder**

11.1 Once the Shares are issued to an Eligible Person, they will have the same rights as other Shareholders (such as voting or dividend rights, subject to paragraph 9.1 above).

11.2 The Company will procure that an application is made to the ASX for quotation of Shares issued under the Share Plan, if other Shares are quoted on the ASX at that time.

**12. Change of control**

12.1 If, in the opinion of the Board, a Change of Control Event has occurred, or is likely to occur, the Board may in its discretion determine that the restrictions which apply to a Share issued to an Eligible Person will cease to apply, and any vesting conditions are waived, at a time determined by the Board.

12.2 Change of Control Events include:

- (a) a takeover bid that is or has become free of any defeating conditions and the offeror obtains voting power in the Company of more than 50%;
- (b) the Company's shareholders approve a proposed compromise or arrangement for the reconstruction of the Company or its amalgamation with any other company or companies; and
- (c) a person obtains voting power in the Company which the Board determines is sufficient to control the composition of the Board.

**13. Dealings with Shares**

- 13.1 Unless otherwise determined by the Board, an Eligible Person must not sell or transfer any Share acquired by them under the Share Plan during any relevant restriction period.
- 13.2 The Company may enter into arrangements with its share registry to enforce these transfer restrictions, including imposing a holding lock on the Shares.

**14. Other restrictions**

- 14.1 If the Board determines that an Eligible Person has, amongst other things, acted fraudulently or dishonestly then the Board may take various actions against the person, including deeming any Shares issued under the Share Plan to be forfeited.
- 14.2 An Eligible Person is not permitted to do anything under which the economic benefit to be derived from holding a Share under the Share Plan that remains subject to restrictions on disposal may be altered, irrespective of future changes in the market price of Shares.

**15. Conditions**

The Shares may be issued subject to certain conditions determined by the Board and set out in the invitation to participate in the Share Plan.

**16. Compliance with laws**

If Division 1A of Part 7.12 of the Corporations Act requires any term to be included in the Share Plan or an invitation issued under the plan in order for the offer of Shares to an Eligible Person to be covered by that Division, that term is deemed to have been included in the plan.

**17. Board discretion**

- 17.1 The Share Plan will be administered by the Board.
- 17.2 The Board may resolve conclusively all questions of fact or interpretation concerning the Share Plan and any dispute of any kind that arises under the plan.
- 17.3 The Board may at any time waive in whole or in part in any terms or conditions (including any vesting conditions) in relation to any Shares issued to an Eligible Person.
- 17.4 The Board may amend, revoke, add to or vary all or any of the provisions of the Share Plan. However, the Board must not (without the consent of the relevant Eligible Person(s)), amend any restriction or other condition relating to any Shares issued under the Share Plan where that amendment might adversely impact the Eligible Person(s) in relation to the Shares, other than an amendment primarily:
- (a) for the purpose of complying with laws governing the maintenance of the Share Plan;
  - (b) to correct any manifest error or mistake;
  - (c) to take into account possible adverse tax implications for the Company; or
  - (d) to enable the Company to comply with the Corporations Act or the Listing Rules.

## ANNEXURE B

### SUMMARY OF THE 2023 INCENTIVE AWARDS PLAN

A summary of the terms of the Incentive Awards Plan is set out below.

#### 1. Nature of Incentive Awards Plan

An incentive awards plan providing for the issue of shares (**Shares**), options and performance Rights (**Awards**) as incentives to Eligible Participants.

#### 2. Eligible Participants

**Eligible Participants** are current or proposed:

- (a) directors (whether executive or non-executive) of the Company and any associated body corporate of the Company (each, a **Group Company**); or
- (b) full, part time or casual employees or individual service providers of any Group Company;

who are declared by the Company's board (**Board**) to be eligible to receive grants of Awards under the Incentive Awards Plan.

#### 3. Nominees

A **Nominee** means a nominee of an Eligible Participant that is one of the following:

- (a) a spouse, parent, child or sibling of the Eligible Participant;
- (b) a company controlled by an Eligible Participant or a spouse, parent, child or sibling of the Eligible Participant;
- (c) a body corporate that is the trustee of a self managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993*) where the Eligible Participant is a director of the body corporate; or
- (d) trustee(s) of a trust where the Eligible Participant is a beneficiary of the trust.

#### 4. Invitation and Application Form

The Board may, in its discretion, make a written invitation (which may be made by email) to any Eligible Participant (including an Eligible Participant who has previously received an Invitation) to apply for Awards upon the terms set out in the Incentive Awards Plan and upon such additional terms and conditions as the Board determines (**Invitation**). On receipt of an Invitation, an Eligible Participant (or their Nominee) may apply for the Awards the subject of the Invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in its discretion.

#### 5. Invitation limits

Where an Invitation for Awards that require cash consideration to be paid either on issue or exercise (eg an option with an exercise price) is proposed to be made and the Company wishes to rely on the employee share scheme provisions in Division 1A of Part 7.12 of the Corporations Act (**ESS Provisions**), the Company must reasonably believe, when making such an Invitation, that the Invitation will not result in the Company breaching the cap imposed by the ESS Provisions.

In general terms:

- (a) in determining if an Invitation will exceed the cap, the Company must count the Shares that may be issued under the Invitation together with Shares that have been issued, or that may be issued, under invitations that were both received in Australia and made in connection with the Incentive Awards Plan or any other employee share scheme (irrespective of whether the issue or exercise of securities under those plans involved cash consideration or not) over the 3 years prior to the Invitation; and
- (b) the cap is 5% of Shares on issue at the time of the Invitation, or such other percentage as specified in the Company's constitution (**Constitution**) (which does not currently specify a cap).

#### 6. Conditions to acquisition of Awards

The issue of Awards is conditional on any necessary shareholder, constitutional and regulatory approval being obtained.

**7. Terms of Convertible Securities**

- (a) Each option or performance right (each a **Convertible Security**) will entitle its holder to subscribe for and be issued or transferred, one Share (upon vesting and exercise of that Convertible Security) unless the Incentive Awards Plan or an applicable Invitation otherwise provides.
- (b) There are no participating rights or entitlements inherent in Convertible Securities and Eligible Participant's to whom an Award has been issued (**Participant**) will not be entitled to participate in new issues of securities offered to shareholders of the Company without exercising the Convertible Securities.
- (c) There is no right to a change in the exercise price or in number of underlying Shares over which a Convertible Security can be exercised, except to the extent an Invitation otherwise provides where permitted by the Listing Rules
- (d) A Convertible Security does not entitle a Participant to vote except as otherwise required by law.
- (e) A Convertible Security does not confer any right to a return of capital, whether in a winding up, or upon a return of capital or otherwise, or a right to participate in surplus profit or assets of the Company upon a winding up.
- (f) A Convertible Security does not confer an entitlement to participate in or receive any dividend (whether fixed or at the discretion of the Board) until the Convertible Security has vested and been exercised and Shares have been allocated as a result of the exercise of the Convertible Security.

**8. Vesting and exercise of Convertible Securities**

Convertible Securities will not vest and be exercisable unless the vesting conditions (if any) attaching to that Convertible Security (**Vesting Conditions**) have been satisfied and the Board has notified the Eligible Participant of that fact. The Board may, in its absolute discretion, by written notice to a Participant, resolve to waive any of the Vesting Conditions applying to Convertible Securities.

There is no automatic vesting on a change of control but it can be provided for in specific Invitations for specific Convertible Securities.

A vested Convertible Security may, subject to the terms of the Incentive Awards Plan and any Invitation, be exercised by the holder at any time before it lapses.

**9. Cashless Exercise Facility**

The Board may, in its discretion, where the 7 day VWAP price of Shares (**Market Value**) is higher than the exercise price of vested options, permit a participant not pay the exercise price for exercised options and instead be issued that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those options (with the number of Shares rounded down to the nearest whole Share).

**10. Cash Payment**

If an Invitation for a Convertible Security provides for a cash payment alternative, the Board may, in its discretion, in lieu of issuing or transferring a Share on exercise of the vested Convertible Security, pay the Participant a cash amount equal to the Market Value of a Share as at the date the Convertible Security is exercised less, in respect of an Option, any Option Exercise Price, and any superannuation or other taxes, duties or other amounts the Company is required to pay or withhold in respect of any cash payment.

**11. Lapsing of Convertible Securities**

A Convertible Security will lapse upon the earlier of:

- (i) the Board, in its discretion, resolving a Convertible Security lapses as a result of an unauthorised disposal of, or hedging of, the Convertible Security;
- (ii) a Vesting Condition not being satisfied or becoming incapable of satisfaction (and not being waived or allowed to continue unvested by the Board in its discretion);
- (iii) in respect of an unvested Convertible Security, the holder ceases to be an Eligible Participant and the Board does not exercise its discretion to vest the Convertible Security or allow it to remain unvested;
- (iv) in respect of a vested Convertible Security, a holder ceases to be an Eligible Participant and the Board, in its discretion, resolves that the Convertible Security must be exercised within one month (or such later date as the Board determines) of the date the relevant person ceases to be an Eligible Participant, and

the Convertible Security is not exercised within that period and the Board resolves, at its discretion, that the Convertible Security lapses as a result;

- (v) upon payment of a cash payment in respect of the vested Convertible Security in accordance with the rules of the Incentive Awards Plan;
- (vi) the Board deems that a Convertible Security lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant under the rules of the Incentive Awards Plan;
- (vii) in respect of an unvested Convertible Security, a winding up resolution or order is made, and the Convertible Security does not vest in accordance with rules of the Incentive Awards Plan;
- (viii) the participant and the Company agreeing that the Convertible Security is voluntarily forfeited or cancelled; and
- (ix) the expiry date of the Convertible Security.

**12. Disposal Restriction on Convertible Securities**

Except as otherwise provided for by the Incentive Awards Plan, an Invitation, the Listing Rules or required by law, a Convertible Security may only be disposed:

- (a) with the consent of the Board (which may be withheld in its discretion) in special circumstances, being:
  - (i) ceasing to be an Eligible Participant due to death or total or permanent disability, or retirement or redundancy;
  - (ii) severe financial hardship for reasons entirely beyond the control of the Eligible Participant unless the Board unanimously resolves otherwise; or
  - (iii) any other circumstance stated to constitute “special circumstances” in the terms of the relevant Invitation; or
- (b) by force of law upon death to the participant’s legal personal representative or upon bankruptcy to the participant’s trustee in bankruptcy.

**13. Disposal Restrictions on Shares**

- (a) Shares can be made subject to a restriction condition and/or a restriction period, either of which prohibit disposal until satisfied or waived at the Board’s discretion (unless an Invitation otherwise provides).
- (b) Shares are deemed to be subject to a restriction period to the extent necessary to comply with any escrow restrictions imposed by the Listing Rules.
- (c) If a restriction condition is not met (and is not waived), the Company may, amongst other remedies, buyback and cancel the Shares for nil consideration, sell the Shares for at least 80% of Market Value and retain the sale proceeds, or declare the Shares to be forfeited and, where held by a trustee, for the Shares to return to the unallocated pool or to be allocated to a different participant.
- (d) A Share that is subject to a restriction period is unable to be disposed of during the restriction period.
- (e) The Company may implement any procedure it considers appropriate to restrict a participant from dealing with any Shares for as long as those Shares are subject to a restriction period.
- (f) The Participant agrees to execute a restriction agreement in relation to the restricted Shares reflecting any restriction period applying to the restricted Shares under the Incentive Awards Plan or any escrow imposed by the Listing Rules.

**14. Other Key Terms**

- (a) All Shares issued under the Incentive Awards Plan on exercise of Convertible Securities will rank equally in all respects with the Shares of the same class for the time being on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.
- (b) In the event of a reorganisation of the capital of the Company, all rights of the holder of an Award will be amended to the extent necessary to comply with the Corporations Act and the Listing Rules applying to reorganisations at the time of the reorganisation.
- (c) Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies to the Awards except to the extent an Invitation provides otherwise.
- (d) No issue or allocation of Awards and/or Shares will be made to the extent that it would contravene the Constitution, Listing Rules, the Corporations Act or any other applicable law.

- (e) Except as otherwise expressly provided in the Incentive Awards Plan, the Board has absolute and unfettered discretion to act, or refrain from acting, under or in connection with the Incentive Awards Plan, any Invitation or any Awards under the Incentive Awards Plan and, in the exercise of any power or discretion under the Incentive Awards Plan, may make any exercise of its power or discretion subject to conditions, and may refuse giving any approval with or without cause or giving reasons.
- (f) The Board may, at any time, by resolution amend or add to all or any of the provisions of the Incentive Awards Plan, an Invitation or the terms or conditions of any Award issued under the Incentive Awards Plan, subject to the Corporations Act and the Listing Rules and provided that the adjustment or variation does not have a materially prejudicial effect on the Participant, (in respect of his or her outstanding Awards), other than an adjustment or variation introduced primarily:
  - (i) Territory or Commonwealth legislation governing or regulating the maintenance or operation of the Incentive Awards Plan or like plans;
  - (ii) to correct any manifest error or mistake;
  - (i) to enable a member of a Group Company to comply with the Corporations Act, any applicable stock exchange rules, applicable foreign law, or a requirement, policy or practice of the ASIC or other foreign or Australian regulatory body; or
  - (ii) to take into consideration possible adverse taxation implications in respect of the Incentive Awards Plan, including changes to applicable taxation legislation or the interpretation of that legislation by a court of competent jurisdiction or any rulings from taxation authorities administering such legislation.

**ANNEXURE C**

**SUMMARY OF MATERIAL TERMS OF PERFORMANCE RIGHTS**

1. **Entitlement:** Each Performance Right gives the holder, subject to the satisfaction or waiver of the applicable Vesting Conditions below, the right to be issued one Share (subject to any adjustment under these terms).

2. **Number of Performance Rights:**

**STI Performance Rights** – that number determined by multiplying maximum STI opportunity value of \$109,742 by the Percentage STI Achievement as determined by the Board following 30 June 2023 and dividing the result by the 20-day VWAP ending 30 June 2023. The Board will determine the Percentage STI Achievement shortly after 30 June 2023 based on performance against the STI KPIs which are grouped into the business areas of Operational (30% weighting), Financial (30% weighting), Growth (20% weighting) and Environmental, Social and Governance (20% weighting). There is also a condition precedent to the issue of the STI Performance Rights that at least 85% of the budgeted Company EBITDA, adjusted for foreign exchange and commodity prices, is achieved, failing which no STI Performance Rights will be issued.

**LTI Performance Rights** – that number determined by dividing the maximum LTI opportunity value of \$591,426 by the 20-day VWAP ending 30 June 2023.

3. **Nil issue price:** The Performance Rights will be issued for nil cash consideration.

4. **Nil Exercise Price:** The amount payable upon exercise of each Performance Right will be nil.

5. **Expiry Date:** The Performance Rights will expire (**Expiry Date**) at 5.00pm (Perth) on:

**STI Performance Rights** – 30 June 2026

**LTI Performance Rights** – 30 June 2027

Any unvested Performance Rights, and vested Performance Rights not exercised before the applicable Expiry Date will automatically lapse on the applicable Expiry Date.

6. **Vesting Condition(s):** Subject to the Incentive Award Plan, the Performance Rights do not vest and become exercisable until the applicable vesting conditions below are satisfied (or waived by the Board in its absolute discretion).

**STI Performance Rights**

(a) In respect of one-third of the STI Performance Rights: Mr Mutz remains an employee of the Company through 30 June 2024.

(b) In respect of two-thirds of the STI Performance Rights: Mr Mutz remains an employee of the Company through 30 June 2025.

**LTI Performance Rights**

(a) The Board will determine the percentage of LTI Performance Rights vesting as at 30 June 2025 based on a performance score against the following LTI KPIs through 30 June 2025 (**LTI Performance Score**). The LTI Performance Score is determined as a percentage of achievement of the KPIs and can range from 0-200% and with a score of 100% equating to a target of 60% of LTI Performance Rights vesting, and with only an indicative 5% chance of 100% of LTI Performance Rights vesting.

(b) The LTI Performance Score is determined as the sum of the individual scores for each business area. For example, if the minimum target of Ore Reserves is achieved, a score of 30% is earned and, if the stretch target of Ore Reserves is also achieved, a further 30% is earned. Individual business area scoring can also be for a portion of the target. For example, if a positive feasibility study is completed on Bidamina but not for Yandanooka, a score of 10% is earned.

<b>Business Area</b>	<b>Minimum Target</b>	<b>Stretch Target</b>	<b>Weighting</b>
Shareholder Returns	Greater than 50%	Greater than 75%	50%
Ore Reserves	100 million tonnes of new Ore Reserves (from 30 June 2022)	50 million tonnes of additional new Ore Reserves (above Minimum Target)	30%
Growth & Sustainability	Positive feasibility studies on Bidamina and Yandanooka Projects	Positive feasibility studies on MSP, McCalls Project and SR production	20%

### Shareholder Returns

Shareholder returns are calculated based on changes in capital value as measured by share price and dividends (**Shareholder Returns**) across the 3-year LTI performance and vesting period, with the current LTI period being 1 July 2022 through 30 June 2025 (**Performance Period**). Shareholder Returns are determined on both a relative and absolute basis.

Relative performance is based on comparison of Image's Shareholder Returns to that of Shareholder Returns of individual peer group companies for the Performance Period, to determine a relative ranking of performance (**Relative Performance Score**). If Image ranks less than 40% in the peer group ranking, the Relative Performance Score is zero, and if the peer group ranking is greater than 40%, the Relative Performance Score is equal to that ranking percent.

Absolute performance is based on Image's calculated Shareholder Returns for the Performance Period (**Absolute Performance Score**). If returns are less than 20%, the Absolute Performance Score is zero. If Shareholder Returns are greater than 20%, then the Absolute Performance Score is two times Image's calculated Shareholder Returns.

The overall Shareholder Returns score is determined as the average of the Relative Performance Score and the Absolute Performance Score.

There is also an LTI KPI that there are no fatalities in the final 12-months of the performance period. If not achieved, no LTI Performance Rights will vest.

7. **Automatic vesting:** Notwithstanding any other term, upon a change of control, all Vesting Conditions will be automatically waived pro rata to reflect time elapsed and performance (as applicable), as determined by the Board acting reasonably.
8. **Ceasing to be engaged:** If Mr Mutz ceases to be employee of the Company, all unvested Performance Rights will lapse except to the extent the Board exercises its discretion, with or without conditions, to vest the Performance Rights, or allow them to continue unvested, in whole or in part.
9. **Notice of Exercise:** A holder may exercise vested Performance Rights by lodging with the Company, before the Expiry Date, a written notice of exercise specifying the number of vested Performance Rights being exercised (**Exercise Notice**).
10. **Timing of issue of Shares on exercise:** On receipt of a valid Exercise Notice, the Company will, as soon as reasonably practicable, and in compliance with applicable law, issue a Share to the holder for each vested Performance Right validly exercised.
11. **Shares issued on exercise:** All Shares allotted upon the exercise of Performance Rights will upon allotment rank equally in all respects with other issued fully paid Shares except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.
12. **Agreement to be bound:** By lodging an Exercise Notice, the Holder agrees to be bound by the constitution of the Company in respect of any Shares issued as a result of the exercise.
13. **Quotation of Shares issued on exercise:** If admitted to the official list of the ASX at the time, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Performance Rights on ASX in accordance with the ASX Listing Rules timetable.
14. **Restrictions on dealing:** The holder must not sell, transfer, encumber, hedge or otherwise deal with the Performance Rights unless the dealing is approved by the Board or required by law.
15. **Fraudulent or dishonest acts:** If in the opinion of the Board, Mr Mutz or a nominee of Mr Mutz (if the holder) acts fraudulently or dishonestly or is in material breach of obligations to the Company, the Board may in its absolute discretion determine that all the Performance Rights will lapse and the Board's decision will be final and binding.
16. **Reorganisation:** If, prior to the Expiry Date, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return of capital), all rights of a holder are to be changed in a manner consistent with the Corporations Act and any requirements of the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation, which for clarity may include the Company varying Vesting Conditions in respect of a Performance Right so that the holder is not disadvantaged.
17. **Participation in new issues:** The Performance Rights do not confer any right to participate in new issues of securities by the Company such as bonus issues or entitlement issues except to the extent that Performance Rights are exercised prior to the 'record date' for determining entitlements for the new issue.

18. **Change in number of Shares:** A Performance Right does not confer on the holder any right to a change in the number of underlying Shares over which the Performance Right can be exercised.
19. **General meetings:** A Performance Right does not entitle a participant to vote on resolutions at a general meeting of shareholders of the Company except as otherwise required by law or where the resolution is to amend the rights attaching to the Performance Rights.
20. **No right to return of capital:** A Performance Right does not confer any right to a return of capital, whether in a winding up, or upon a return of capital or otherwise.
21. **No rights on winding up:** A Performance Right does not confer any right to participate in surplus profit or assets of the Company upon a winding up of the Company.
22. **No dividend rights:** A Performance Right does not confer an entitlement to participate in or receive any dividend.
23. **Compliance:** No Performance Right may be issued, granted or exercised and no Share may be issued or transferred on exercise of a Performance Right to the extent to do so would contravene the Corporations Act, any applicable stock exchange rules or any other applicable law.
24. **No other rights:** The Performance Rights give the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

# Proxy Voting Form

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

Holder Number:

Your proxy voting instruction must be received by **10:00am (WST) on Sunday, 28 May 2023**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

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

### YOUR NAME AND ADDRESS

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

### STEP 1 – APPOINT A PROXY

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

### DEFAULT TO THE CHAIR OF THE MEETING

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

### STEP 2 - VOTES ON ITEMS OF BUSINESS

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

### APPOINTMENT OF SECOND PROXY

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

### SIGNING INSTRUCTIONS

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

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

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

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

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

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

### CORPORATE REPRESENTATIVES

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

### Lodging your Proxy Voting Form:

#### Online:

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

or scan the QR code below using your smartphone

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



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

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

#### BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

**WEBSITE:** <https://automicgroup.com.au/>

**PHONE:** 1300 288 664 (Within Australia)  
+61 2 9698 5414 (Overseas)

