

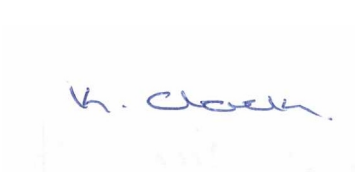
**SCOUT SECURITY LIMITED**  
**(ACN: 615 321 189)**

**NOTICE OF ANNUAL GENERAL MEETING – 16 NOVEMBER 2023**

Notice is hereby given that Scout Security Limited (the “Company” or “Scout”) will hold its Annual General Meeting virtually at 11:00am (AEDT) on Thursday, 16 November 2023 for the purpose of transacting the business set out in this Notice.

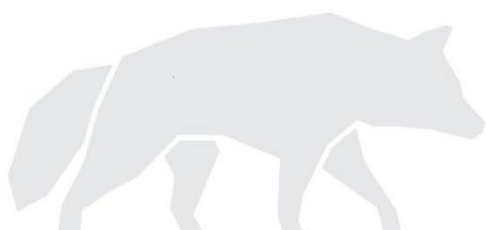
**DATED** 13 October 2023

By order of the Board:



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Kim Clark  
**Company Secretary**



## AGENDA

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### Chairman's Address

### CEO's Address

### Financial Statements and Reports

To consider and receive the Financial Statements, Directors' Report and Auditor's Report for the Company and its controlled entities for the year ended 30 June 2023.

### Resolutions

#### 1. Remuneration Report

To consider, and if in favour, pass the following Resolution in accordance with section 250R(2) of the *Corporations Act 2001* (Cth):

*"That the Company adopt the Remuneration Report for the year ended 30 June 2023 in accordance with section 250R(2) of the Corporations Act 2001 (Cth)."*

**Note:** This resolution shall be determined under section 250R(2) of the *Corporations Act 2001* (Cth). Votes must not be cast on this Resolution by Key Management Personnel and closely related parties in contravention of sections 250R or 250BD of the *Corporations Act 2001* (Cth). Restrictions also apply to votes cast as proxy unless exceptions apply. This Resolution is advisory only and does not bind the Company or the Directors.

#### 2. Re-election of Director – Mr Martin Pretty

Mr Martin Pretty retires as a Director in accordance with the requirement of clause 15.2 of the Constitution and Listing Rule 14.5. Being eligible, he offers himself for re-election.

To consider, and if in favour, pass the following Resolution as an ordinary resolution:

*"That Martin Pretty, who is retiring in accordance with the Constitution and Listing Rule 14.5, and who offers himself for re-election, is re-elected as a Director of the Company."*

**Note:** Information about the candidate appears in the Explanatory Memorandum.

#### 3. Re-election of Director – Mr David Shapiro

Mr David Shapiro retires as a Director in accordance with the requirement of clause 15.2 of the Constitution and Listing Rule 14.5. Being eligible, he offers himself for re-election.

To consider, and if in favour, pass the following Resolution as an ordinary resolution:

*"That David Shapiro, who is retiring in accordance with the Constitution and Listing Rule 14.5, and who offers himself for re-election, is re-elected as a Director of the Company."*

**Note:** Information about the candidate appears in the Explanatory Memorandum.

#### 4. Election of Director – Mr Ryan McCall

Mr Ryan McCall was appointed as a Director of the Company on 01 February 2023 and retires in accordance with ASX Listing Rule 14.4 and clause 15.4 of the Constitution.

To consider and, if in favour, pass the following resolution as an ordinary resolution:

*"That, Mr Ryan MccCall who, having previously been appointed to fill a casual vacancy, retires in accordance with ASX Listing Rule 14.4 and clause 15.4 of the Constitution and having consented to act and being eligible, be elected as a Director of the Company."*

**Note:** Information about the candidate appears in the Explanatory Memorandum.

## **5. Ratification of the Prior Issue of 25,800,000 Initial Warrants**

To consider, and if in favour, pass the following Resolution as an ordinary resolution:

*"That for the purposes of Listing Rule 7.4 and for all other purposes, approval is given for the ratification of the prior issue of a total of 25,800,000 Initial Warrants which were issued on 26 May 2023 and 07 August 2023 on the terms and conditions set out in the Explanatory Memorandum."*

## **6. Approval to Issue Initial Warrants to Directors**

To consider and, if in favour, pass the following Resolution as an ordinary resolution:

*"That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of:*

*(a) 93,788 Initial Warrants to Mr Martin Pretty, Non-Executive Director;*

*(b) 173,513 Initial Warrants to Vigyaz Pty Ltd, a related party of Mr Martin Pretty, Non-Executive Director;*

*(c) 2,427,480 Initial Warrants to Mr Daniel Roberts, Executive Director; and*

*(d) 2,563,740 Initial Warrants to Mr Ryan McCall, Executive Director,*

*on such terms and conditions more particularly described in the Explanatory Memorandum.*

## **7. Approval of 10% Placement Facility**

To consider and, if in favour, pass the following Resolution as a special resolution:

*"That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the Company having additional capacity to issue Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 over a 12 month period from the date of the Annual General Meeting, at a price no less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions in the Explanatory Memorandum."*

## **8. Issue of 1,500,000 Shares to Mr Hersh Majteles**

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

*"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 1,500,000 ordinary Shares on the terms and conditions set out in the Explanatory Memorandum."*

## **9. Issue of Performance Rights to Mr Daniel Roberts (Executive Director)**

To consider and, if in favour, pass the following Resolutions as ordinary resolutions:

*"That, pursuant to section 208(1)(a) of the Corporations Act 2001 (Cth) and Listing Rule 10.14 and for all other purposes, Shareholders approve the granting of 11,000,000 Performance Rights to Mr Daniel Roberts (or his nominee), Executive Director under the Company's Equity Incentive Plan and on the terms and conditions outlined in the Explanatory Memorandum."*

**Note:** If approval is obtained under Listing Rule 10.14, approval is not required under Listing Rule 7.1 or Listing Rule 10.11, as set out in the Explanatory Memorandum.

## NOTES

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### 1. Explanatory Memorandum

The Explanatory Memorandum accompanying this Notice of Annual General Meeting is incorporated in and comprises part of this Notice of Annual General Meeting and should be read in conjunction with this Notice of Annual General Meeting.

### 2. Voting Exclusion Statements

**Resolution 1** - the Company will disregard votes cast by a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member, in contravention of sections 250R or 250BD of the *Corporations Act 2001* (Cth). Restrictions also apply to votes cast as proxy unless exceptions apply.

**Resolution 5** - the Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue of the Initial Warrants the subject of this Resolution, and any of their associates.

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

- a person as proxy or attorney for a person who is entitled to vote on the Resolutions, in accordance with directions given to the proxy or attorney to vote on the Resolutions in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolutions, in accordance with a direction given to the chair to vote on the Resolutions as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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 Resolutions; and
  - the holder votes on the Resolution in accordance with direction given by the beneficiary to the holder to vote in that way.

**Resolution 6 (a), (b), (c) and (d)** - the Company will disregard any votes cast in favour of these Resolutions by or on behalf of Mr Martin Pretty, Vigyaz Pty Ltd, Mr Daniel Roberts or Mr Ryan McCall, or any person who will obtain a material benefit as a result of the proposed issued (except a benefit solely by reason of being a holder of Shares) or an associate of those persons.

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

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Resolution 7** - The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person, or any associate of that person, who is expected to participate in, or will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of Shares).

**NB.** In accordance with Listing Rule 14.11 and the relevant note under that rule concerning Rule 7.1A, as at the date of this Notice of Meeting it is not known who may participate in the proposed issue (if any). On that basis, no security holders are currently excluded.

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

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Resolution 8** - The Company will disregard any votes cast in favour of the resolution set out below by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely Hersh Majteles) or an associate of that person (or those persons).

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

- a 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
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Resolution 9** - The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- a director of the Company;
  - an associate of a director; or
  - a person whose relationship with the Company or a person referred to above is such that, in ASX's opinion, the acquisition should be approved by security holders,
- who is eligible to participate in the Company's Equity Incentive Plan, or an associate of those people.

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

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Company will also disregard votes cast as proxy by Key Management Personnel or their closely related parties in contravention of section 250BD of the Corporations Act. The Company will also disregard votes cast by or on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given in contravention of section 224 of the Corporations Act and any associate of such a related party.

For the purposes of section 224 of the Corporations Act, the Company will not disregard a vote if:

- it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; and
- it is not cast on behalf of a related party or associate of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party.

### **3. Who may vote**

In accordance with Regulation 7.11.37 of the Corporations Regulations, the Company (as convenor of the Meeting) has determined that a person's entitlement to attend and vote at the Meeting will be those persons set out in the register of Shareholders as at 7.00pm (AEDT) on 14 November 2023. This means that any Shareholder registered at 7.00pm (AEDT) on 14 November 2023 is entitled to attend and vote at the Meeting.

### **4. Direct voting using the Advanced Share Registry Online Platform**

All Shareholders will have the opportunity to attend and participate in the 2023 Annual General Meeting online via an internet connection (using a computer, laptop, tablet or smartphone).

Shareholders are invited and encouraged to participate in the Meeting and vote electronically using the Advanced Share Registry Online Platform. The Online Platform will provide Shareholders with the ability to view and participate in the proceedings of the Meeting by webcast, and to cast their votes during the Meeting.

If Shareholders are unable to attend the Meeting using the Online Platform they are encouraged to alternatively, return the Proxy Form to the Company in accordance with the instructions thereon. Returning the Proxy Form will not preclude a Shareholder from attending and voting at the Meeting utilising the Advanced Share Registry Online Platform should they elect to do so.

### **5. Shareholder questions**

Whilst Shareholders will be provided with the opportunity to submit questions online at the Meeting, it would be desirable if the Company was able to receive them in advance.

Shareholders are therefore requested to send any questions they may have for the Company or its Directors at the virtual Annual Shareholders' Meeting to the Company Secretary, Kim Clark by email to [kim.clark@boardroomlimited.com.au](mailto:kim.clark@boardroomlimited.com.au).

Please note that not all questions may be able to be answered during the meeting. In this case answers will be made available on the Company's website after the meeting.

## 6. Proxies

A Shareholder entitled to attend this Meeting and vote, is entitled to appoint a proxy to attend and vote on behalf of that Shareholder at the Meeting.

- A proxy need not be a Shareholder.
- If the Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the proportion or number of the votes which each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes held by that Shareholder.
- If the Shareholder appoints only one proxy, that proxy is entitled to vote on a show of hands. If a Shareholder appoints two proxies, only one proxy is entitled to vote on a show of hands.
- Where two proxies are appointed, any fractions of votes resulting from the appointment of two proxies will be disregarded.
- A Proxy Form accompanies this Notice.
- Unless the Shareholder specifically directs the proxy how to vote, the proxy may vote as he or she thinks fit, or abstain from voting.
- If a Shareholder wishes to appoint a proxy, the Shareholder should complete the Proxy Form and comply with the instructions set out in that form relating to lodgement of the form with the Company.
- The Proxy Form must be signed by the Shareholder or his or her attorney duly authorised in writing or, if the Shareholder is a corporation, either signed by an authorised officer or attorney of the corporation or otherwise signed in accordance with the Corporations Act.
- If any attorney or authorised officer signs the Proxy Form on behalf of a Shareholder, the relevant power of attorney or other authority under which it is signed or a certified copy of that power or authority must be deposited with the Proxy Form.
- The Proxy Form (together with any relevant authority) must be received by no later than 11:00 am (AEDT) on 14 November 2023 before the time scheduled for the commencement of the meeting (or any adjournment of that meeting).
- The completed Proxy Form may be:
  1. Mailed to the address on the Proxy Form; or
  2. Voted online via the Company's Share Registry at <https://www.advancedshare.com.au/Investor-Login>

## 7. Voting requirements

Recommendation 6.4 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4<sup>th</sup> edition) and ASX guidance provide that a listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands. In accordance with these recommendations, the Chair has determined in accordance with clause 14.11 of the Constitution that all resolutions put to Shareholders at the Meeting will be decided by poll rather than by a show of hands.

In accordance with the Constitution and the ASX Listing Rules, each Resolution put to Shareholders at the meeting must be passed by way of an ordinary resolution which requires the Resolution be approved by a majority of votes cast by Shareholders entitled to vote on the Resolution, other than Resolution 7 which must be passed by way of a special resolution in accordance with ASX Listing Rule 7.1A such that the Resolution must be approved by 75% of the votes cast by Shareholders entitled to vote on the Resolution.

**8. Corporate Representative**

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority must be sent to the Company and/or registry at least 24 hours in advance of the Meeting.



## EXPLANATORY MEMORANDUM

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This Explanatory Memorandum forms part of the Notice convening the Annual General Meeting of Shareholders of Scout Security Limited (**Company**) to be held virtually at 11:00 am (AEDT) on 16 November 2023.

This Explanatory Memorandum is to assist Shareholders in understanding the background to, and the legal and other implications of, the Notice and the reasons for the proposed resolutions. Both documents should be read in their entirety and in conjunction with each other.

### **Financial Report**

The *Corporations Act 2001* (Cth) (**Corporations Act**) requires that the report of the Directors, the auditor's report and the financial report be laid before the Annual General Meeting.

Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act nor the Constitution requires a vote of Shareholders at the Annual General Meeting on the financial statements and reports.

Shareholders will be given a reasonable opportunity at the meeting to raise questions and make comments on these reports.

In addition to asking questions at the meeting, Shareholders may address written questions to the Chairman about the management of the Company or to the Company's auditor, if the question is relevant to:

- (a) the content of the auditor's report; or
- (b) the conduct of its audit of the annual financial report to be considered at the meeting.

**NB:** Under section 250PA(1) of the Corporations Act, a Shareholder must submit the question to the Company no later than the fifth (5<sup>th</sup>) Business Day before the day on which the Annual General Meeting is held.

Written questions for the auditor must be delivered by 5:00pm on Thursday, 9 November 2023. Please send any written questions to:

The Company Secretary  
Scout Security Limited  
Level 8, 210 George Street  
SYDNEY, NSW 2000

or via email to: [Kim.Clark@boardroomlimited.com.au](mailto:Kim.Clark@boardroomlimited.com.au)

### **Resolution 1: Remuneration Report**

The Corporations Act requires that at a listed Company's annual general meeting, a resolution that the Remuneration Report be adopted must be put to the Shareholders. However, such a resolution is advisory only and does not bind the Directors of the Company.

The Remuneration Report sets out the Company's remuneration arrangements for Key Management Personnel of the Company. The Remuneration Report is part of the Directors' Report contained in the annual financial report of the Company for the financial year ending 30 June 2023. A copy is available on the Company's website.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

### **Voting consequences**

Under the Corporations Act, if at least 25% of the votes cast on a Remuneration Report resolution are voted against the adoption of the Remuneration Report in two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting

to consider the appointment of Directors of the Company at the second annual general meeting (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the second annual general meeting, at which all of the Directors (other than the Executive Directors) of the Company, would need to stand for re-election.

Following the Spill Meeting those persons whose election or re-election as Directors of the Company is approved by the Shareholders will be the Directors of the Company.

As Shareholders voted in favour of the Company's Remuneration Report at its last Annual General Meeting, the Spill Resolution is not relevant for this Annual General Meeting.

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of Resolution 1, subject to compliance with the Corporations Act.

#### **Directors' recommendation**

As the resolution relates to matters including the remuneration of the Directors, the Board, as a matter of good corporate governance, and in accordance with the spirit of section 250R(4) of the Corporations Act, makes no recommendation regarding this Resolution.

#### **Resolution 2: Re-election of Director – Mr Martin Pretty**

Listing Rule 14.5 requires the Company to hold an election of directors at each annual general meeting.

In addition, clause 15.2 of the Constitution provides that, at every annual general meeting, 1/3 of the Directors or, if their number is not a multiple of 3, then, subject to the Listing Rules, the number nearest to 1/3, must retire from office and be eligible for re-election. The Directors to retire in each year are the Directors longest in office since last being elected or re-elected. Between Directors who were elected on the same day, the Director to retire, if they cannot otherwise agree, must be determined by ballot.

In accordance with Listing Rule 14.5 and clause 15.2 of the Constitution, Mr Martin Pretty retires and, being eligible, wishes to stand for re-election.

Mr Pretty has over 20 years of experience in the investment and finance industry. He has been deeply involved throughout his career in supporting and investing in growing Australian-listed technology businesses. He was previously an investment manager with Thorney Investment Group and held management roles at ASX listed companies Hub24, Bell Financial Group and IWL Limited.

Mr Pretty holds a Bachelor of Arts, Graduate Diploma of Finance and is a CFA Charterholder.

#### **Directors' recommendation**

The Directors (with Mr Pretty abstaining) unanimously recommend that Shareholders vote in favour of Resolution 2.

#### **Resolution 3: Re-election of Director – Mr David Shapiro**

Listing Rule 14.5 requires the Company to hold an election of directors at each annual general meeting.

In addition, clause 15.2 of the Company's Constitution provides that, at every annual general meeting, 1/3 of the Directors or, if their number is not a multiple of 3, then, subject to the Listing Rules, the number nearest to 1/3, must retire from office and be eligible for re-election. The Directors to retire in each year are the Directors longest in office since last being elected or re-elected. Between Directors who were elected on the same day, the Director to retire, if they cannot otherwise agree, must be determined by ballot.

In accordance with Listing Rule 14.5 and clause 15.2 of the Constitution, Mr David Shapiro retires and, being eligible, wishes to stand for re-election.

Mr Shapiro received a Bachelor of Science and Arts in computer science from Miami University of Ohio.

Prior to Scout, Mr Shapiro worked at Sandbox Industries in Chicago, Illinois as a lead developer. Similar to his role at Scout, he was responsible for overseeing and implementing the creation of technology stacks for the various projects he worked on during his time at Sandbox.

Prior to Sandbox, Mr Shapiro worked at JPMorgan Chase as a software engineer. His role primarily focused on application development for Private Client Services within the Asset and Wealth Management group at JPMorgan Private Bank.

#### **Directors' recommendation**

The Directors (with Mr Shapiro abstaining) unanimously recommend that Shareholders vote in favour of Resolution 3.

#### **Resolution 4: Election of Director – Mr Ryan McCall**

Mr Ryan McCall was appointed as a Director of the Company on 01 February 2023 and retires in accordance with clause 15.4 of the Constitution and ASX Listing Rule 14.4 and stands for election.

Mr. McCall is an experienced business and people leader with 14 years of global cross-functional experience in consumer technology and growing teams, revenue, and profitability.

He previously led the global commercial team for software, SaaS, and Data-as-a-Service at Futuremark (a subsidiary of global safety certification company UL, LLC). Prior to UL, he managed the global business development team for Avery Dennison, bringing it into the consumer electronics space and rapidly developing a multi-million dollar pipeline.

Mr. McCall received his MBA from Santa Clara University, with a focus in leading organizations and entrepreneurship. He also holds a B.Sc, majoring in Materials Science Engineering from Michigan State University.

#### **Directors' recommendation**

The Directors (with Mr McCall abstaining) unanimously recommend that the Shareholders vote in favour of Resolution 4.

#### **Resolution 5 – Ratification of the Prior Issue of 25,800,000 Initial Warrants**

On 26 May 2023 and 07 August 2023 and as announced to ASX on those dates, a total of 25,800,000 Initial Warrants were issued to Loan Note Holders who participated in the Debt Facility as announced to ASX on 28 April 2023.

Under the terms of the Debt Facility, Loan Note Holders were eligible to receive 15 Initial Warrants for every one US Dollar lent to the Company.

For the purposes of ASX Listing Rule 7.5.7 the material terms of the Debt Facility are as summarised in Appendix A.

#### **Term**

From issuance until 01 May 2026

#### **Exercise Price**

\$0.05 per Warrant

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

The issuance of Warrants the subject of this resolution does not fit within any of the exceptions to ASX Listing Rule 7.1, and therefore it effectively uses up part of the 15% limit in ASX Listing Rule 7.1 reducing the Company's capacity to issue further equity securities without shareholder approval under Listing Rule 7.1 for the 12 month period following the Issue Date.

Listing Rule 7.4 provides that where shareholders of a company subsequently approve an issue of securities, the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing the Company's 15% capacity, enabling it to issue further securities up to that limit.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under ASX Listing Rule 7.1

To this end Resolution 5 seeks Shareholder approval of the issue under and for the purposes of ASX Listing Rule 7.4.

If this Resolution is passed, the issue of Warrants the subject of this Resolution, and any Shares issued upon exercise of the Warrants, will be excluded in calculating the Company's 15% limit under ASX Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue of the Warrants.

If this Resolution is not passed, the issued Warrants will be included in calculating the Company's 15% limited under ASX Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the date of issue of the Warrants.

The following information is provided in accordance with Listing Rule 7.5:

**(a) Number of securities issued:**

25,800,000 Warrants exercisable into 25,800,000 fully paid ordinary Shares.

**(b) Date on which securities were issued:**

The Warrants were issued and allotted on 26 May 2023 and 07 August 2023.

**(c) Issue price of securities:**

The Warrants were issued for nil consideration and are subject to an exercise price of \$0.05 per Warrant.

**(d) Allottees of the securities:**

The Warrants were allotted by the Company to the following Loan Note Holders in accordance with the terms of the Debt Facility as announced to ASX on 28 April 2023:

- Adaptive Income Fund, LP
- Peter Shirley
- Segal Edward Drummond Jr
- Chad Smith
- K3Y Ventures LLC
- Thomas J Hall

**(e) Terms of securities:**

The Warrants are subject to an exercise price of \$0.05 per Warrant and expire on 01 May 2026.

The fully paid ordinary Shares issued on exercise of the Warrants, when issued, ranked equally with all other Shares on issue at the time and had the same rights and entitlements as the currently issued Shares.

**(f) The intended use of the funds:**

Proceeds from the exercise of the Warrants will be applied to general working capital.

**Directors' recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 5.

## **Resolution 6 – Approval to Issue Initial Warrants to Directors**

As announced to ASX on 28 April 2023 the Company entered into a Debt Facility. Under the terms of the Debt Facility, Loan Note Holders who subscribed to the Debt Facility are eligible to receive 15 Initial Warrants for every one US Dollar lent to the Company.

Directors, Mr Martin Pretty, Mr Daniel Roberts and Mr Ryan McCall (and their related parties) subscribed to the Debt Facility as Loan Note Holders are eligible to receive Initial Warrants in accordance with the terms of the Debt Facility subject to the Company receiving the approval of its shareholders in accordance with ASX Listing Rule 10.11.

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval prior to the issue of securities to a related party of the Company. Being Directors of the Company, Mr Pretty, Mr Roberts and Mr McCall are each a related party of the Company by virtue of section 228(2) of the Corporations Act. Accordingly, this Resolution seeks the approval required by Listing Rule 10.11 to allow the issue of Initial Warrants to Mr Pretty, Mr Roberts and Mr McCall and Mr Pretty's related entity, Vigyaz Pty Ltd.

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issued 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.

If Shareholder approval is given for the purposes of ASX Listing Rule 10.11, approval will not be required under ASX Listing Rule 7.1 as this issuance of Warrants, and any Shares upon exercise of those Warrants will fall within one of the exceptions to ASX Listing Rule 7.1, and the Warrants, and any shares issued upon exercise of those Warrants, issued pursuant to this Resolution will not deplete the Company's 15% placement capacity as they will not be included in the calculation of this capacity.

If this Resolution is not approved by Shareholders, the Company will not be able to issue the Initial Warrants.

This Resolution is an ordinary resolution requiring it to be passed by a simple majority of votes cast by the shareholders entitled to vote on it.

In accordance with ASX Listing Rule 10.13 the following information is provided to Shareholders:

|  |   |
|--|---|
| <b>Recipients of Issue:</b>                        | (a) Mr Martin Pretty;<br>(b) Vigyaz Pty Ltd (a related entity of Mr Martin Pretty);<br>(c) Mr Daniel Roberts; and<br>(d) Mr Ryan McCall   |
| <b>Number and Class of Securities to be Issued</b> | (a) 93,788 Warrants;<br>(b) 173,513 Warrants;<br>(c) 2,427,480 Warrants; and<br>(d) 2,563,740 Warrants.   |
| <b>Material terms of the securities</b>            | On exercise of the Warrants, the Shares issued will rank equally with existing Shares.<br><br>The Warrants will have an exercise price of \$0.05 and expire on 01 May 2026.             |
| <b>Date on which the securities will be issued</b> | The Company anticipates issuing the Warrants within 3 business days of the annual general meeting and in any event no later than 1 month after the date of this Annual General Meeting. |
| <b>Issue Price</b>                                 | The Warrants were agreed to be issued in accordance with the terms of the Debt Facility as announced to ASX on 28 April 2023.   |

|                             |   |
|-----------------------------|---|
| <b>Purpose of the issue</b> | Funds raised from the exercise of the Warrants will be used to continue to support the Company's working capital. |
| <b>Voting Exclusion</b>     | A voting exclusion statement applies to this item of business as set out in the Notice.                           |

## Chapter 2E of the Corporations Act

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

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

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

Mr Martin Pretty (and his related entity Vigyaz Pty Ltd), Mr Daniel Roberts and Mr Ryan McCall are related parties of the Company by virtue of being Directors or an entity associated with a Director of the Company.

The Directors (other than in respect of their own material personal interest in these Resolutions) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issuance of the Warrants the subject of these resolutions as the terms of issuance are identical to the terms offered to all participants (that are not related parties of the Company) in the Debt Facility announced to ASX on 28 April 2023.

## Directors Recommendation

The Directors (with Mr Pretty, Mr Roberts and Mr McCall abstaining) unanimously recommend that shareholders vote in favour of Resolutions 6 (a), (b), (c) and (d).

## Resolution 7 - Approval of 10% Placement Facility

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

However, under ASX Listing Rule 7.1A an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity. The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer below).

The Directors of the Company believe that Resolution 6 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

## Description of Listing Rule 7.1A

### a) Shareholder approval:

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an Annual General Meeting.

**b) Equity Securities:**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. The classes of quoted equity securities of the Company at the date of the Notice are ordinary Shares.

**c) Formula for calculating 10% Placement Facility:**

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12 month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

**A** is the number of Shares on issue 12 months before the date of issue or agreement:

- plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2 (other than 9, 16 or 17);
- plus the number of fully paid Shares issued in the 12 months on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
  - the convertible securities were issued or agreed to be issued before the commencement of the 12 months; or
  - the issue of, or agreement or issue, the convertible securities was approved, or taken under these rules to have been approved, under Listing Rule 7.1 or 7.4;
- plus the number of partly paid Shares issued in the 12 months under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
  - the agreement was entered into before the commencement of the 12 months; or
  - the agreement to issue was approved, or taken under these rules to have been approved, under Listing Rule 7.1 or 7.4;
- plus the number of partly paid Shares that became fully paid in the 12 months;
- plus the number of fully paid Shares issued in the 12 months with approval of holders of Shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid Shares under the entity's 15% placement capacity without Shareholder approval; and
- less the number of fully paid Shares cancelled in the 12 months.

*Note, that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

**d) Listing Rule 7.1 and Listing Rule 7.1A:**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

As at 03 October 2023, the Company had on issue 230,668,023 Shares and had capacity to issue a further 8,800,203 securities. Subject to the approval of Resolution 4 this amount will increase to 34,600,203.

**e) 10% Placement Period:**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the earlier to occur of:

- (a) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained;
- (b) the time and date of the Company's next annual general meeting; or

- (c) the time and date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking), or such longer period if allowed by ASX (10% Placement Period).

### Listing Rule 7.1A

The effect of Resolution 7 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

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

### Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Equity Securities over the 15 Trading Days on which trades in the relevant class were recorded immediately before:
- the date on which the price at which the Equity Securities are to be issued is agreed; or
  - if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk that:
- the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date Shareholders provide their approval at the Annual General Meeting; and
  - the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

In accordance with Listing Rule 7.3A.2, the table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue to all Shareholders) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' Meeting; and
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

| Variable A in Listing Rule 7.1A.2 |                           | Dilution                                  |                        |  |
|-----------------------------------|---------------------------|---|------------------------|--|
|                                   |                           | \$0.008<br>50% decrease<br>in Issue Price | \$0.016<br>Issue Price | \$0.032<br>100% increase in<br>Issue Price |
| Current Variable A*               | 10%<br>Voting<br>Dilution | 23,066,802                                | 23,066,802             | 23,066,802                                 |



|   |                            |              |              |                |
|---|----------------------------|--------------|--------------|----------------|
| 230,668,023 Shares  | <b>Funds Raised</b>        | \$184,534.42 | \$396,068.83 | \$768,137.66   |
| <b>50% increase in current Variable A*</b><br>346,002,034 Shares  | <b>10% Voting Dilution</b> | 34,600,203   | 34,600,203   | 34,600,203     |
|   | <b>Funds Raised</b>        | \$276,801.62 | \$553,603.24 | \$1,107,216.49 |
| <b>100% increase in current Variable A*</b><br>461,336,046 Shares | <b>10% Voting Dilution</b> | 46,133,604   | 46,133,604   | 46,133,604     |
|   | <b>Funds Raised</b>        | \$396,068.83 | \$738,137.66 | \$1,476,275.32 |

The table has been prepared on the following assumptions:

- i. the Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
  - ii. none of the 6,065,238 Performance Rights, or 84,791,045 Options, 25,800,000 Warrants and 1,562,500 Convertible Notes that the Company currently has on issue, or any securities subject to Resolutions at this Annual General meeting, are exercised or converted into Shares before the date of the issue of the Equity Securities.
  - iii. the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
  - iv. the table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
  - v. the table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% Placement capacity under Listing Rule 7.1.
  - vi. the issue of Equity Securities under the 10% Placement Facility consists only of Shares.
  - vii. the issue price is \$0.016 being the closing price of the Shares on ASX on 03 October 2023.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement period. The approval under Resolution 7 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new business assets or investments (including expenses associated with such acquisition) and/or general working capital. The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.
- (e) The Company's allocation policy will depend on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility.

The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:

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

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

(f) The Company sought and obtained approval from Shareholders under Listing Rule 7.1A at the Annual General Meeting held on 16 November 2022. In accordance with Listing Rule 7.3A.6(a) the Company makes the following disclosure:

- Equity Securities on issue as at 16 November 2022 totalled 227,315,830 securities; and
- The Company has issued no Equity Securities under Listing Rule 7.1A in the 12 months preceding the meeting.

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

### **Directors' recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 7.

### **Resolution 8 – Issue of 1,500,000 Shares to Mr Hersh Majteles**

Mr Hersh Majteles was a non-executive Director of the Company and resigned from office on 31 December 2022. The Company has agreed, pursuant to an agreement with Mr Majteles that subject to the approval of Shareholders the Company will issue Mr Majteles 1,500,000 ordinary shares in consideration for Directors fees previously due. The agreement provides that in the event that Shareholders do not approve the issuance of the Shares the subject of this Resolution, the Directors fees will be paid in cash.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions under ASX Listing Rule 7.2, issue or agree to issue equity securities during any 12-month period in excess of 15% of the number of Shares on issue at the commencement of that 12-month period without Shareholder approval.

The effect of this Resolution will be to allow the Company to issue the Shares the subject of this Resolution, no later than 3 months after the date of the meeting without using the Company's 15% annual placement capacity granted under ASX Listing rule 7.1. If this Resolution is not approved by Shareholders, the Company will not be able to issue the Shares the subject of this Resolution and will be required to pay Mr Majteles total consideration of \$25,000 in cash.

This Resolution is an ordinary resolution requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

In accordance with ASX Listing Rule 7.3 the following information is provided to Shareholders:

|  |   |
|--|---|
| <b>Persons who are expected to participate in the issue:</b> | Hersh Majteles (or his nominee)   |
| <b>Number and Class of Securities to be Issued</b>           | 1,500,000 fully paid ordinary Shares  |
| <b>Material terms of the securities</b>                      | On issuance the Shares will rank equally with all other Shares on issue.                |
| <b>Date on which the securities will be issued</b>           | No later than 3 months after the date of the Meeting.                                   |
| <b>Issue Price</b>   | Nil   |
| <b>Purpose of the issue</b>                                  | In consideration for payment of Directors fees  |
| <b>Voting Exclusion</b>                                      | A voting exclusion statement applies to this item of business as set out in the Notice. |

## Directors Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 8.

### **Resolution 9 - Issue of Performance Rights to Mr Daniel Roberts (Executive Director)**

Performance Rights confer an entitlement to be issued one Share subject to the satisfaction of performance criteria and on the terms and conditions set out in the Equity Incentive Plan (**Plan**).

Subject to the approval of Shareholders, the Company proposes to grant a maximum amount of 11,000,000 Performance Rights to Mr Daniel Roberts (Executive Director) (or his nominee).

The price payable for each Share that may be issued upon vesting of a Performance Right is nil.

The objective of the proposed grant of Performance Rights to Mr Roberts is primarily to link the reward of Performance Rights to Shareholder value creation and align their interests with those of Shareholders and to encourage the long-term sustainable growth of the Company.

The Performance Rights shall be issued under, and subject to, the terms and conditions of the Plan.

ASX Listing Rule 10.14 requires a listed company to obtain shareholder approval prior to the issue of securities under an Employee Share Plan to a director of the company. As Mr Roberts is an Executive Director of the Company, Shareholder approval is being sought for this purpose.

Once approval is obtained pursuant to Listing Rule 10.14, the Company is entitled to rely on Listing Rule 10.12, Exception 8 as an exception to any requirement that may otherwise apply requiring shareholder approval under Listing Rule 10.11. Similarly, approval will not be required under Listing Rule 7.1.

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issued 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.

If Shareholder approval is given for the purposes of ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1 and the Shares and Options issued pursuant to this Resolution will not deplete the Company's 15% placement capacity. If this Resolution is not approved by Shareholders, the Company will not be able to issue the securities the subject of this Resolution or receive the consideration monies.

If this Resolution is passed, the Company will be able to proceed with the issue and allot the Performance Rights to Mr Roberts.

If this Resolution is not passed, the Company will not be able to proceed with the issue. The key terms of the Performance Rights are set out in the tables below:

| <b>Recipient</b>       | Daniel Roberts (or his nominee)   |
|------------------------|---|
| <b>Number</b>          | 11,000,000 Performance Rights   |
| <b>Vesting Date(s)</b> | Performance rights will vest in 5 tranches as follows:<br>Tranche 1 being 1,500,000 – on or prior to 16 July 2024;<br>Tranche 2 being 1,500,000 – on or prior to 01 July 2025;<br>Tranche 3 being 1,500,000 – on 30 September 2025;<br>Tranche 4 being 1,500,000 – on 01 July 2025; and<br>Tranche 5 being 5,000,000 – on or prior to 01 July 2025. |

|                           |  |
|---------------------------|--|
| <b>Vesting Conditions</b> | <p>The Performance Rights vest upon achievement of performance criteria aligned to the financial and strategic objectives of the Company for the period ending on 30 June 2025 and subject to the terms of the Equity Incentive Plan.</p> <p>Specifically the measurable objectives provide for vesting as follows:</p> <p><b>Tranche 1</b> - upon achievement of a 90 day Volume Weighted Average Price (<b>VWAP</b>) of 7 cents based upon shares traded on ASX over any period between allotment of the rights and 16 July 2024;</p> <p><b>Tranche 2</b> - upon achievement of a 90 day VWAP of 12 cents based upon shares traded on ASX over any period between allotment of the rights and 30 June 2025;</p> <p><b>Tranche 3</b> - upon the release of Audited Financial Statements by the Company evidencing annual Net Profit After Tax of at least A\$2,000,000 in any one of the financial years ending on 30 June 2024 or 30 June 2025;</p> <p><b>Tranche 4</b> - upon the Company reporting (and receiving verification from its Auditor) recurring monthly revenue (excluding development fees, hardware sales or other one-off revenue items) that exceeds expenses for any 3 month period prior to 30 June 2024; and</p> <p><b>Tranche 5</b> - upon the achievement of a 90-day VWAP of 20 cents based upon shares traded on ASX over any period between allotment of the rights and 30 June 2025.</p> |
| <b>Other Conditions</b>   | Other key terms of the Equity Incentive Plan are detailed in Annexure B of this Explanatory Memorandum.  |

### Other general terms of the Performance Rights

It is intended that the Performance Rights will be issued within 5 days after the Annual General Meeting, but in any event will be issued no later than 3 years after the Annual General Meeting.

The Performance Rights will be issued to the Mr Roberts for \$nil consideration.

For the purposes of ASX Listing Rule 10.15.2, Mr Roberts falls under category 10.14.1 of the ASX Listing Rules, as he is a current Director of the Company.

For the purposes of Listing Rule 10.15.6, the Company proposes to issue Performance Rights to the Directors (as opposed to fully paid ordinary securities) for the following reasons:

- (a) Performance Rights are designed to incentivise employees and Directors of the Company. Performance Rights also act to provide a retention incentive for key employees, such as Mr Roberts, to facilitate long-term growth; and
- (b) equity based incentives assist in the alignment of Shareholders and Directors' interests.

Mr Roberts has not previously received any Performance Rights under the Plan.

There are no loan arrangements with Mr Roberts in relation to the acquisition of the Performance Rights.

The other general terms for the Performance Rights are outlined in Annexure B of this Explanatory Memorandum.

Details of any securities issued under the Plan will be published in the annual report of the entity relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Equity Incentive Plan after this resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

## General Information

Consistent with the accounting standards, the Company discloses the following information concerning the value of the Performance Rights to be issued. A fair value for the Performance Rights to be issued has been calculated using the Hoadleys Hybrid ESO Model – Single share price target Consec days pricing model and based on a number of assumptions, set out below, with an adjustment to the expected life of the Performance Rights to take account of limitations on transferability. This methodology is commonly used for valuing Performance Rights and is one of the permitted methodologies under ASIC Regulatory Guide 76. The Board believes this valuation model to be appropriate to the circumstances and has not used any other valuation or other models in proposing the terms of the Performance Rights.

The Board draws Shareholders' attention to the fact the stated valuation does not constitute, and should not be taken as, audited financial information. The reportable value of the employee benefit expense in subsequent financial periods may vary due to a range of timing and other factors. In particular, the figures were calculated effective as at 03 October 2023.

### Valuation for Performance Rights to be issued to Daniel Roberts

|                           | Performance Rights (Tranche 1) | Performance Rights (Tranche 2) | Performance Rights (Tranche 3) | Performance Rights (Tranche 4) | Performance Rights (Tranche 5) |
|---------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Volatility                | 104%                           |                                |                                |                                |                                |
| Dividend Yield (estimate) | Nil                            | Nil                            | Nil                            | Nil                            | Nil                            |
| Vesting Date              |                                |                                |                                |                                |                                |
| Expiry Date               | 7 years from the Grant Date    |                                |                                |                                |                                |
| Exercise Price            | Nil                            | Nil                            | Nil                            | Nil                            | Nil                            |
| Employee Benefit Expense  |                                |                                |                                | \$11,250                       |                                |
|                           | \$34,014                       |                                |                                |                                |                                |

<sup>(a)</sup> The values do not factor in the probability of meeting non-market conditions.

A significant factor in the determination of the final value of Performance Rights will be the ultimate Share price at the date of final Performance Rights grant (this will be the date of approval by the Shareholders if such approval is obtained). The following table details total employee benefit expense based on the highest and lowest closing prices of the Shares traded on the ASX over the 12 months ending on 03 October 2023.

|                    | Highest          | Lowest Price      |
|--------------------|------------------|-------------------|
| Closing Price (\$) | \$0.034          | 0.015             |
| Date               | 29 November 2022 | 21 September 2023 |

| Employee Benefit Expense |           |          |
|--------------------------|-----------|----------|
| Daniel Roberts           | \$123,776 | \$34,014 |

As such, if it is assumed all other factors are equal, where the Share price increases above the \$0.063 disclosed above the final value of performance rights granted will increase, and conversely where the Share price reduces the final value of Performance Rights granted will also reduce.

### Remuneration

Mr Roberts currently receives USD225,000 per annum for his position as Chief Operating Officer. The amount stated is per annum comprising salary, superannuation contributions (or equivalent in the United States of America) and known short term incentive payments. The performance rights are in addition to this sum and have an estimated fair value of \$34,014.

### Section 208 of Corporations Act

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

The amount, terms and value (subject to the stated assumptions) of the Performance Rights are set out above.

The reasons for giving this financial benefit are:

- (a) the Company wishes to maximise the use of its cash resources towards other strategic initiatives and equity based incentives;
- (b) the total quantum of Performance Rights to be issued is reasonable in number, and will act as an incentive for future growth of the business;
- (c) Performance Rights are designed to incentivise employees, and in this case, to incentivise Directors of the Company. Performance Rights also act to provide a retention incentive for key employees, such as Mr Roberts to facilitate long-term growth;
- (d) equity based incentives assist in the alignment of Shareholders and Directors' interests; and
- (e) the Company believes the associated expense is limited and the nature of the Performance Rights package proposed is commensurate with market practice.

On this basis the Company believes the giving of the financial benefit, as constituted by the issue of the Performance Rights to the applicable Directors is in the best interests of the Company and its Shareholders.

The Board has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed grant of Performance Rights as the exception in section 211 of the Corporations Act applies. The Performance Rights are being issued for the reasons set out above and are considered reasonable remuneration for the purposes of section 211 of the Corporations Act.

### Existing interests and the dilutionary effect on other Shareholders' interests

The effect that the vesting of the Performance Rights will have on the interests of the applicable Directors relative to other Shareholders' interests is set out in the following table. The table assumes no further issues of Shares in, or reconstruction of the capital of the Company during the time between issue and vesting of the Performance Rights and is based upon shares on issue as at 03 October 2023.

|  | Daniel Roberts |
|--|----------------|
| The total number of Shares on issue in the capital of the Company  | 230,668,023    |
| Shares currently held by Mr Roberts (including indirect interests)   | 9,900,544      |
| % of Shares currently held by Mr Roberts   | 4.29%          |
| Performance Rights held by Mr Roberts prior to Annual General Meeting (including indirect interests)                             | Nil            |
| Options held by Mr Roberts prior to (including indirect interests)   | 2,000,000      |
| Performance Rights to be issued under this Resolution to Mr Roberts following Annual General Meeting                             | 11,000,000     |
| Warrants to be issued to Mr Roberts subject to the approval of Resolutions 5 and 6 at this Annual General Meeting                | 2,427,480      |
| Shares that will be held following the vesting of all Performance Rights and exercise of Options and Warrants held by Mr Roberts | 25,328,024     |
| % of Shares that would be held by Mr Roberts assuming no other securities held by other parties are vested or converted.         | 10.29%         |

#### Directors' recommendation

The Directors abstain, in the interest of good corporate governance, from making a recommendation in relation to Resolution 9.

## DEFINITIONS

Throughout this Explanatory Memorandum the following various words and phrases are capitalised and the definitions of these capitalised words and phrases are set out below:

**"Annual General Meeting"** means the meeting convened by the Notice of Meeting;

**"ASIC"** means the Australian Securities & Investments Commission;

**"ASX"** means ASX Limited (ACN 000 943 377);

**"ASX Listing Rules"** or **"Listing Rule"** means the Official Listing Rules of the ASX;

**"Board"** means the Board of Directors of the Company;

**"Business Day"** means a day on which trading takes place on the stock market of the ASX;

**"Chairman"** means the Chairman of the annual general meeting;

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

- (a) A spouse or child of the member;
- (b) A child of the member's spouse;
- (c) A dependant of the member or the member's spouse;
- (d) Anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) A company the member controls; or
- (f) A person prescribed by the Corporation Regulations 2001 (Cth).

**"Company or Scout Security"** means Scout Security Limited ACN 615 321 189 ;

**"Constitution"** means the Company's Constitution;

**"Corporations Act"** means the *Corporations Act 2001* (Cth);

**"Corporations Regulation"** means the *Corporations Regulation 2001* (Cth);

**"Directors"** mean the current Directors of the Company;

**"Equity Incentive Plan or Plan"** means the long term incentive plan the approved by Shareholders at the Annual General Meeting of the Company on 20 January 2022.

**"Explanatory Memorandum"** means this Explanatory Memorandum as modified or varied by any supplementary Memorandum issued by the Company from time to time;

**"Initial Warrants"** means an initial tranche of warrants issued by the Company upon the issuance of any Note under the Loan Note Agreement as announced to ASX on 28 April 2023.

**"Key Management Personnel"** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;

**"Management"** or **"Board"** means the management of the Company;

**"Meeting"** or **"Annual General Meeting"** means the Annual General Meeting convened by this Notice;

**"Notice"** or **"Notice of Meeting"** means the notice convening the Annual General Meeting of the Company to be held on 16 November 2023 which accompanies this Explanatory Memorandum;

**"Options"** means an option to be issued a Share;

**"Performance Rights"** means the performance rights the subject of approval under Resolution 9.



**"Proxy Form"** means the proxy form that is enclosed with and forms part of this Notice;

**"Remuneration Report"** means the remuneration report set out in the Directors' Report section of the Company's Annual Financial Report for the year ended 30 June 2023;

**"Resolution"** means a resolution in the form proposed in the Notice of Meeting;

**"Share"** means a fully paid ordinary share in the capital of the Company;

**"Shareholder"** means a registered holder of a Share in the Company; and

**"Warrants"** means a warrant to acquire a Share in the Company on specific terms as outlined within this Notice.

# Annexure A

## Summary of the key terms of the Company's Debt Facility (Loan Notes)

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Up to USD\$4,000,000.00 (AU\$6.04m) may be issued in aggregate. The size of the Financing may be increased by agreement of the Company and the Lenders holding Notes representing a majority of the then-outstanding principal of all Notes (the "Majority Holders").

The Notes shall bear simple interest at 12.0% per year.

Accrued interest shall be payable monthly by the Company. Principal payments will begin upon the first anniversary of the first issued Note, and will be amortised over a period of four years. Any remaining balance shall be due upon the earlier to occur of i) 60 months from the date of issuance (the "Final Maturity Date"), (ii) a Change of Control or (iii) an Event of Default (as will be defined in the Notes).

The Company may prepay the Notes at any time subject to a 1% Pre-Payment penalty applied to the then outstanding principal balance of the Notes.

The Notes will be secured by all the assets of the Company and be senior to all other debts by the Company. The Company shall not be authorised to issue any security senior to the Notes nor stock cumulatively in excess of 50,000,000 shares (adjusted for any splits, etc.) without approval by 65% of the dollar value of the Notes. Furthermore, the Notes will be pari passu such that all Notes will rank equally, and no payments will be made under any Note unless a pro-rata payment is simultaneously made under all other Notes.

### *Warrant Coverage:*

Initial Warrants – an initial tranche of warrants shall be issued upon the issuance of any Note, in a ratio equivalent to \$1 (USD): 15 warrants. These warrants shall be exercisable at \$0.05 AUD per warrant by an Investor for a period of 3 years following the issuance of the Note.

Subsequent Warrants – in the event the Company has not repaid 65% of the principal balance of the Notes within 30 months of their issuance, an additional tranche of warrants shall be issued at a strike price of \$0.07 AUD per share, in a ratio equivalent to \$1 (USD): 10 shares. This tranche shall be exercisable by holder for a period of 3 years following the issuance of the Note.

Warrant issuance is subject to the Company having sufficient capacity under ASX Listing Rule 7.1 for the issuance, or holding the prior approval of its shareholders.

Change of Control/Maturity Conversion: At the election of each Note holder or the Majority Holders, outstanding warrants may be paid out upon the consummation of a sale of the Company by merger, asset or stock sale, or other similar transaction (a "Change of Control"), in which case each then-outstanding warrant will receive the difference between (x) the implied valuation per share on a fully diluted basis and (y) the strike price of the warrant.

## Annexure B

### Summary of the key terms of the Company's equity incentive plan

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

|  |  |
|--|--|
| Eligibility  | <p>Participants in the Plan may be:</p> <p>(a) any non-employee director or any full or part-time employee of the Company and its related bodies corporate (the <b>Group</b>); or</p> <p>(b) any other person providing services to the Group,</p> <p>who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Options, Performance Rights and Shares (<b>Awards</b>) under the Plan (<b>Eligible Participant</b>).</p>  |
| Offer  | <p>The Company may, at the sole and absolute discretion of the Board, offer and issue to an Eligible Participant any (or any combination) of the different types of Awards provided under the Plan.</p> <p>The terms and conditions of Awards offered or granted under the Plan to each Eligible Participant will be determined by the Board in its sole and absolute discretion.</p>  |
| Convertible Security                                     | <p>Each Option and/or Performance Right (<b>Convertible Security</b>) represents a right to acquire one or more Shares, subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.</p>   |
| Vesting of a Convertible Security                        | <p>Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied by the due date and/or otherwise waived by the Board, that Convertible Security will lapse.</p>   |
| Exercise of Convertible Securities and cashless exercise | <p>To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Options (see below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.</p> <p>The Board may determine in its sole and absolute discretion that a Participant will not be required to provide payment of the exercise price of Options, but that on exercise of the Options, the Company will only allot and issue or transfer that number of Plan Shares to the Participant that are equal in value to the difference between the exercise price otherwise payable in relation to the Options and the</p> |

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

|                             |  |
|-----------------------------|--|
| <b>Change of Control</b>    | If a change of control event occurs in relation to the Company, and unless the Board determines otherwise in its sole and absolute discretion, Awards granted will vest where vesting conditions and performance hurdles have been satisfied on a pro rata basis based on the period which has elapsed from the grant date to the date of the change of control event.   |
| <b>Employee Share Trust</b> | The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Awards for Participants under the Plan and delivering Shares on behalf of Participants upon exercise of Options and/or Performance Rights (as the case may be).   |
| <b>Participation Rights</b> | During the currency of any Convertible Securities and prior to their vesting, Participants are not entitled to participate in any new issue of Securities of the Company as a result of their holding Convertible Securities.  |
| <b>Reorganisation</b>       | <p>Subject to all applicable laws, following any variation to the issued capital of the Company arising from:</p> <ul style="list-style-type: none"> <li>(a) a reduction, subdivision or consolidation of the issued capital of the Company;</li> <li>(b) a reorganisation of the issued capital of the Company;</li> <li>(c) a distribution of assets in specie;</li> <li>(d) the payment of a dividend, otherwise than in the ordinary course, of an amount substantially in excess of the Company's normal distribution policy; or</li> <li>(e) any issue of Shares or other equity securities or instruments which convert into Shares by way of capitalisation of profits or reserves,</li> </ul> <p>the number of Awards to which each Participant holds under the Plan, and the exercise price of Options (if any) held by each Participant, will be adjusted in accordance with the Listing Rules.</p> |
| <b>Amendment of Plan</b>    | <p>Subject to the following paragraph, the Listing Rules and the Company's constitution, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Awards that have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.</p> <p>No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by the relevant Participant.</p>  |



## LODGE YOUR PROXY APPOINTMENT ONLINE



### ONLINE PROXY APPOINTMENT

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



### MOBILE DEVICE PROXY APPOINTMENT

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

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

**Important Note:** The Company has determined that Shareholders will be able to attend and participate in the meeting through an online platform provided by Advanced Share Registry.

## ANNUAL GENERAL MEETING PROXY FORM

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

### APPOINT A PROXY

The Chair of  
the Meeting

OR



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

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held **virtually on Thursday, 16 November 2023 at 11:00 am (AEDT)** and at any adjournment or postponement of that Meeting.

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

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

### VOTING DIRECTIONS

#### Resolutions

|      |   | For                      | Against                  | Abstain*                 |
|------|---|--------------------------|--------------------------|--------------------------|
| 1    | Remuneration Report   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2    | Re-election of Director – Mr Martin Pretty  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3    | Re-election of Director – Mr David Shapiro  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4    | Election of Director – Mr Ryan McCall   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5    | Ratification of the prior issue of 25,800,000 Initial Warrants  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6(a) | Approval to issue Initial Warrants to Directors - Mr Martin Pretty                                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6(b) | Approval to issue Initial Warrants to Directors - Vigyaz Pty Ltd, a Related Party of Mr Martin Pretty | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6(c) | Approval to issue Initial Warrants to Directors - Mr Daniel Roberts                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6(d) | Approval to issue Initial Warrants to Directors - Mr Ryan McCall                                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7    | Approval of 10% Placement Facility  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8    | Issue of Shares – Hersh Majteles  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9    | Issue of Performance Rights to Mr Daniel Roberts (Executive Director)                                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |



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

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)




Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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

Email Address

☐

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

## SCOUT SECURITY LIMITED - ANNUAL GENERAL MEETING

The Company has determined that Shareholders will be able to attend and participate in the Meeting through an online platform provided by Advanced Share Registry. To facilitate such participation, voting on each Resolution will occur by a poll rather than a show of hands.

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

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

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

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### CHANGE OF ADDRESS

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

### APPOINTMENT OF A PROXY

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

### DEFAULT TO THE CHAIR OF THE MEETING

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

### VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

### PROXY VOTING BY KEY MANAGEMENT PERSONNEL

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

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

### APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

### COMPLIANCE WITH LISTING RULE 14.11

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

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

### CORPORATE REPRESENTATIVES

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

### SIGNING INSTRUCTIONS ON THE PROXY FORM

#### Individual:

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

#### Joint Holding:

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

#### Power of Attorney:

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

#### Companies:

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

### LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 11:00 am (AEDT) on 14 November 2023, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.



#### ONLINE PROXY APPOINTMENT

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



#### BY MAIL

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



#### BY FAX

+61 8 6370 4203



#### BY EMAIL

[admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)



#### IN PERSON

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009



#### ALL ENQUIRIES TO

Telephone: +61 8 9389 8033