



MOTIO LIMITED (ACN 147 799 951)

Notice of Annual General Meeting

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 2) 7227 2277

Contents

Business of the Meeting (setting out the proposed resolutions)	4
Explanatory Statement (explaining the proposed resolutions)	7
Glossary	15
Schedule 1 - Summary of the Long-Term Incentive Plan	17
Schedule 2 - Terms and Conditions of Veritas Options	19
Schedule 3 - Shareholder Auditor Nomination	21
Proxy Form	Enclosed

Important Information

TIME AND PLACE OF MEETING

Notice is given that the Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at **9:30am (EDST)** on **Friday, 17 November 2023** at:

**Level 15, 189 Kent Street
Sydney NSW 2000**

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7:00pm (EDST) on **Wednesday, 15 November 2023**.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting at the time, date and place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

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

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and

- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Voting Prohibition

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment on Resolution 1 if the person is either:

- a member of the Key Management Personnel of the Company; or
- a Closely Related Party of such a member, and
- the appointment does not specify the way the proxy is to vote on Resolution 1.

However, the prohibition does not apply if the proxy is the Chair and the appointment expressly authorises the Chair to exercise the proxy even if Resolution 1 is connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

Business of the meeting

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2023 together with the declaration of the directors, the Directors' Report, the Remuneration Report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2023."

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

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

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

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR JASON BYRNE

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

"That, for the purpose of clause 12.3(a) of the Constitution and for all other purposes, Mr Jason Byrne, a Director, retires and being eligible, is re-elected as a Director."

3. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY– SHARES

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

"That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital (at the time of the issue), calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF ADVISOR OPTIONS

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

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 4,000,000 options exercisable at \$0.0525 expiring 26/7/2026 and 6,000,000 options exercisable at \$0.07 expiring 26/7/2027 issued to Veritas Securities Limited on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of a Veritas Securities Limited, or any associates of Veritas Securities Limited. However, the Company need not disregard a vote if it is cast in favour of the resolution by:

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

5. RESOLUTION 5 – ADOPTION OF LONG TERM INCENTIVE PLAN

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

“That, for the purpose of Listing Rule 7.2 Exception 13(b), and for all other purposes, Shareholders approve the adoption of the employee incentive scheme known as the “Motio Ltd Long Term Incentive Plan”, a summary of which is set out in the Explanatory Memorandum accompanying this Notice of Extraordinary General Meeting, and the issue of the Equity Securities thereunder, on the terms and conditions set out in the Explanatory Memorandum, as an exception to Listing Rule 7.1.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who is eligible to participate in the employee incentive scheme, and any associates of those persons. The Company need not disregard a vote if it is cast in favour of the resolution by:

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

Voting Prohibition Statement:

In accordance with section 250BB of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

6. RESOLUTION 6 – APPOINTMENT OF AUDITOR

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

‘That, for the purposes of section 327B(1)(a) of the Corporations Act and for all other purposes, HLB Mann Judd Assurance (NSW) Pty Ltd, having been nominated by a Shareholder and having consented in writing to act in the capacity of auditor of the Company, be appointed as auditor to the Company, as set out in the Explanatory Memorandum.’

DATED: 18 OCTOBER 2023

BY ORDER OF THE BOARD

**MR MATTHEW FOY
COMPANY SECRETARY**

Explanatory Statement

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

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2023 together with the declaration of the directors, the Directors' Report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <https://www.motio.com.au/> or by contacting the Company on (02) 7227 2277.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The Remuneration Report sets out the Company's remuneration arrangements for the directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the annual financial report of the Company for the financial year ended 30 June 2023.

The Chair of the meeting will allow a reasonable opportunity for Shareholders to ask questions about or make comments on the Remuneration Report at the Meeting.

2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (other than the managing director) who were in office at the date of approval of the applicable directors' report (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the Remuneration Report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.4 Chair voting undirected proxies

The Chair intends to exercise all undirected proxies in favour of Resolution 1. If the Chair of the Meeting is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR JASON BYRNE

Clause 12.3 of the Constitution provides that:

- (a) A Director must not hold office without re-election:
 - (i) past the third annual general meeting following the Director's appointment or last election; or
 - (ii) for more than three years,whichever is the longer.
- (b) There must be an election of Directors at each annual general meeting of the Company. This can be satisfied by one or more of the following so long as the maximum number of Directors set by the Company in general meeting (if applicable) is not exceeded:
 - (a) a person standing for election as a new Director having nominated in accordance with article 12.6;
 - (b) any Director who was appointed under article 12.7 standing for election as a Director;
 - (c) any Director who is retiring at the end of the annual general meeting due to the tenure limitation in article 12.3(a), standing for re-election; or
 - (d) if no person or Director is standing for election or re-election in accordance with paragraphs (a), (b) or (c), then the Director who has been a Director the longest without re-election must retire and stand for re-election. If two or more Directors have been a Director the longest and an equal time without re-election, then in default of agreement, the Director to retire will be determined by ballot.
- (c) This article does not apply to one Managing Director who is exempt from retirement and re-election in accordance with article 13.10.

This article 12.3 only applies while the Company is on the official list of ASX.

Mr Byrne was previously re-elected at the Annual General Meeting on 6 November 2020, being three years ago. Accordingly, under article 12.3(a) Mr Byrne retires by rotation and being eligible, seeks re-election.

Details of Mr Byrne's qualifications and experience are set out in the Company's 2023 Annual Financial Report.

The Board (other than Mr Byrne) unanimously supports the re-election of Mr Byrne.

4. RESOLUTION 3 - APPROVAL OF 10% PLACEMENT CAPACITY- SHARES

4.1 General

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

Listing Rule 7.1A provides that an Eligible Entity may seek shareholder approval by way of a special resolution passes at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**10% Placement Capacity**).

An 'eligible entity' means an entity that is not included in the S&P/ASX300 Index and which has a market capitalisation of \$300 million or less. MXO's market capitalisation as at 9 October 2023 was approximately \$8.36 million and therefore is an eligible entity for these purposes.

Resolution 3 seeks shareholder approval by way of special resolution for MXO to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without shareholder approval.

If Shareholders approve Resolution 3, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out below).

The effect of passing Resolution 3 will be to allow the Company to issue Equity Securities up to a combined limit of 25% pursuant to Listing Rules 7.1 and 7.1A without any further shareholder approval. If Resolution 3 is passed the Company will be permitted to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to a maximum of 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders entitled to vote on the Resolution must be in favour of Resolution 3 for it to be passed.

If Resolution 3 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities to issue equity securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

The Directors of the Company believe that Resolution 3 is in the best interest of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution.

4.2 ASX Listing Rule 7.1A Requirements

Pursuant to ASX Listing Rule 7.1A.3 the issue price for each security issued under the Additional Placement Capacity will not be less than 75% of the volume weighted average price for securities in that class over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the securities are to be issued is agreed; or
- if the securities are not issued within 10 trading days of the date above, the date on which the securities are issued.

Equity securities that may be issued under listing rule 7.1A will only be in an existing quoted class of securities.

The issue of equity securities under the Additional Placement Capacity may result in voting dilution of existing ordinary shareholders (as shown in the table below). There is also the risk that:

- the market price for equity securities in that class may be significantly lower on the issue date than on the date of the Annual General Meeting; and
- the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date.

Table 1 below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2 on the basis of the current market price of Shares and the current number of ordinary securities quoted on ASX 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 or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% against the current market price.

Table 1

Number of Shares on Issue	Dilution			
	Issue Price (per Share)	\$0.017 50% decrease in Issue Price	\$0.034 Current Issue Price	\$0.051 50% increase in Issue Price
261,434,657 (Current)	10% voting dilution	26,143,465 Shares	26,143,465 Shares	26,143,465 Shares
	Funds raised	\$444,439	\$888,878	\$1,333,317
392,151,986 (50% increase)	10% voting dilution	39,215,198 Shares	39,215,198 Shares	39,215,198 Shares
	Funds raised	\$666,658	\$1,333,317	\$1,999,975
522,869,314 (100% increase)	10% voting dilution	52,286,931 Shares	52,286,931 Shares	52,286,931 Shares
	Funds raised	\$888,878	\$1,777,756	\$2,666,633

The above table is based on the following assumptions:

- The number of shares on issue (Variable "A") is calculated as 261,434,657 being all the fully paid ordinary shares on issue as at 11 October 2023.
- The Company issues the maximum number of equity securities available under the Additional Placement Capacity.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- The table shows only the issue of equity securities under the Additional Placement Capacity and not under Listing Rule 7.1.
- The issue of equity securities under the Additional Placement Capacity includes only Shares.

- The issue price of \$0.032 was the closing price of shares on ASX on 9 October 2023.

Equity securities under the Additional Placement Capacity may be issued until the earlier of:

- the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
- the time and date of the entity's next annual general meeting; or
- 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) (**10% Placement Period**).

The Company may only issue equity securities under the Additional Placement Capacity for cash consideration to raise funds for the development of the Company's existing assets, the acquisition of new assets or investments (including assets associated with such acquisition), to repay debt or to fund 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 under the Additional Placement Capacity.

The Company's allocation policy for issues under the Additional Placement Capacity is dependent on prevailing market conditions at the time of any proposed issue. The identity of the allottees of the equity securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- the purpose of the issue;
- the methods of raising funds that are available to the Company, including rights issues or other issues in which existing shareholders may participate;
- the effect of the issue of the equity securities on the control of the Company;
- the financial situation and solvency of the Company;
- prevailing market conditions; and
- advice from the Company's advisors.

As the Company has no current plans to undertake a new capital raising using its additional 10% placement capacity, the allottees under the Additional Placement Capacity have not yet been determined but if such an exercise was undertaken, allottees may include existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

The Company previously sought and obtained shareholder approval under Listing Rule 7.1A at the immediately prior Annual General Meeting held 11 November 2022.

In accordance with Listing Rule 7.3A.6, in the 12 months preceding the date of this meeting, the Company issued Nil ordinary shares pursuant to ASX Listing Rule 7.1A.2 representing 0% of the total number of equity securities on issue from the commencement of the last approval of Listing Rule 7.1A.

A voting exclusion statement is not included in this Notice. As at the date of this Notice, the Company has not been approached by or invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

When the Company issues equity securities pursuant to the Additional Placement Capacity, it will give to ASX:

- a list of the allottees of the equity securities and the number of equity securities allotted to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- the information required by Listing Rule 3.10.5A for release to the market.

5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF OPTIONS TO VERITAS

5.1 General

On 26 July 2023 the Company advised it had issued the following options to Veritas Securities Limited (**Veritas**) pursuant to ASX Listing Rule 7.1:

- 4,000,000 options exercisable at \$0.0525 expiring 26/7/2026; and
- 6,000,000 options exercisable at \$0.07 expiring 26/7/2027 that vest 12 months after their date of issue,

(together, the **Veritas Options**).

The Veritas Options were issued to Veritas in consideration for corporate advisory services in relation to public market activities for a period of twelve months ending on 19 June 2024.

5.2 ASX Listing Rule 7.1

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

5.3 Technical Information required by Listing Rule 14.1A

If Resolution 4 is passed, the Veritas Options will be excluded in calculating the Company's combined 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Veritas Options.

If Resolution 4 is not passed, the Veritas Options will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Veritas Options.

5.4 Technical Information required by Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the ratification of the Veritas Options:

- (a) the Veritas Options were issued to Veritas Securities Limited who is not a related party of the Company, pursuant to an engagement agreement between the parties with the following material terms:
 - (i) Veritas being engaged for a period of twelve months from 19 June 2023 as advisor;
 - (ii) Either party may terminate the engagement if the obligations under the agreement are in breach or default; and
 - (iii) in connection with the engagement the Company agrees to grant Veritas the Veritas Options.
- (b) A total of 10 million Veritas Options were issued on the terms and conditions set out in Schedule 2, comprising:
 - (i) 4,000,000 options exercisable at \$0.0525 expiring 26/7/2026; and
 - (ii) 6,000,000 options exercisable at \$0.07 expiring 26/7/2027 that vest 12 months after their date of issue.

- (c) The Veritas Options were issued in consideration for corporate advisory services in relation to public market activities for a period of twelve months ending on 19 June 2024; and
- (d) a voting exclusion statement is set out in Resolution 4 of this Notice.

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

6. RESOLUTION 5 – ADOPTION OF LONG TERM INCENTIVE PLAN

6.1 Background

Resolution 5 seeks Shareholder approval for the purposes of Listing Rule 7.2 Exception 13(b), to adopt a new employee incentive plan titled the “Motio Ltd Long Term Incentive Plan” (Plan), pursuant to which eligible participants may be offered the opportunity to be granted performance rights, options and Shares in the Company (Incentive Securities). The Company adopted a previous employee incentive plan on 12 November 2021, however the Directors consider it desirable to adopt a new plan to reflect the recent changes to employee share schemes under the Corporations Act. Such changes include removing the ability to make offers of securities under an employee incentive scheme in reliance on relief in ASIC Class Orders 14/1000 and 14/1001 after 1 March 2023 (Class Orders). The relief available under the Class Orders have been replaced by a new regime set out in Division 1A of Part 7.12 of the Corporations Act.

The purpose of the Plan is to:

- (a) reward employees of the Company;
- (b) assist in the retention and motivation of employees of the Company;
- (c) provide an incentive to employees of the Company to grow shareholder value by providing them with an opportunity to receive an ownership interest in the Company; and
- (d) comply with the recent changes to employee share schemes as set out in Division 1A of Part 7.12 of the Corporations Act. may make an informed decision on whether to support or oppose the resolution.

6.2 Listing Rule Requirements

Listing Rule 7.1 provides that, unless an exception applies, a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves, or when aggregated with the Equity Securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12-month period.

Listing Rule 7.2 Exception 13(b) sets out an exception to Listing Rule 7.1. It provides that issues of securities under an employee incentive scheme are not included in a company's 15% limit under Listing Rule 7.1, if within three years before the date of issue, shareholders have approved the issue of securities thereunder as an exception to Listing Rule 7.1.

Accordingly, Resolution 5 seeks approval from Shareholders for adoption of the Plan and the issue of Incentive Securities thereunder for a period of three years from the date of the Meeting, as an exception to Listing Rule 7.1.

If Resolution 5 is passed, the Company will be able to issue Incentive Securities under the Plan to eligible participants over a period of three years from the date of the Meeting without impacting on the Company's ability to issue to up 15% of its total ordinary securities without Shareholder approval in any 12-month period.

If Resolution 5 is not passed, the Company will be able to proceed with the issue of Incentive Securities under the Plan, but the issue will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can

issue without Shareholder approval over the 12-month period following the date of issue of the Incentive Securities.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of Incentive Securities under the Plan to a related party or a person whose relationship with the Company or the related party, is in ASX's opinion, such that Shareholder approval should be obtained.

The following information is provided to Shareholders for the purpose of Listing Rule 7.2 Exception 13(b):

(a) A summary of the material terms of the Plan

A summary of the material terms of the Plan is set out in Schedule 1.

(b) Previous issues of securities

This is the first approval sought under Listing Rule 7.2 Exception 13(b) with respect to the Plan. No Incentive Securities have previously been issued under the Plan as it is a new incentive plan.

(c) Maximum number of securities to be issued

The maximum number of Incentive Securities proposed to be issued under the Plan following Shareholder approval is 14,000,000.

(d) Voting exclusion

A voting exclusion statement for Resolution 5 is included in this Notice.

6.3 Directors' Recommendation

The Directors believe that this Resolution is in the best interests of the Company and unanimously recommend Shareholders vote in favour of Resolution 5.

7. RESOLUTION 6 - APPOINTMENT OF AUDITOR

7.1 General

Resolution 6 seeks Shareholder approval for the appointment of HLB Mann Judd Assurance (NSW) Pty Ltd (**HLB**) as the Company's auditor.

On 8 November 2022 the Company's auditor, PKF Perth, sought consent from ASIC to resign as auditor of the Company, effective 1 December 2022, pursuant to section 329(5) of the Corporations Act. ASIC consent was received on 23 November 2022.

The Company is required to appoint an auditor to fill any vacancy at each annual general meeting (after its first annual general meeting) pursuant to section 327B(1) of the Corporations Act.

Pursuant to section 328B of the Corporations Act, the Company received a valid notice of nomination which nominated HLB to be appointed as the new auditor of the Company. A copy of the notice of nomination is set out in Schedule 2 of this Notice of Meeting.

HLB has provided the Company its written consent to act as the Company's auditor.

Additional Information

The Board recommends that Shareholders vote in favour of Resolution 6.

8. ENQUIRIES

Shareholders are required to contact the Company Secretary, Mr Matthew Foy, on (+61 2) 7227 2277 if they have any queries in respect of the matters set out in these documents.

Glossary

\$ means Australian dollars.

10% Placement Capacity has the meaning given to that term in section 4.1 of the Explanatory Statement.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the Chair of the Meeting.

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

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

Company means Motio Ltd (ACN 147 799 951).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

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

EDST means Australia Eastern Daylight Savings Time as observed in Sydney, NSW.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

HLB means HLB Mann Judd Assurance (NSW) Pty Ltd (ABN 96 153 077 215).

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.

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the 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.

Resolutions means the resolutions set out in this Notice, or any one of them, as the context requires.

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

Shareholder means a holder of a Share.

Veritas means Veritas Securities Limited (ACN 117 124 535).

Veritas Options has the meaning set out in section 5.1.

VWAP means the volume weighted average price of trades in the Company's shares.

SCHEDULE 1 – SUMMARY OF THE LONG TERM INCENTIVE PLAN

The Directors have adopted the Plan, to enable eligible persons to be granted options, performance rights and Shares (**Awards**), the principal terms of which are summarised below:

- (a) **(Eligibility)** The Board may, in its absolute discretion, invite an “Eligible Person” to participate in the Plan. An “Eligible Person” means a person that is a “primary participant” (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an associated body corporate and has been determined by the Board to be eligible to participate in the Plan from time to time.
- (b) **(Offer)** Following determination that an Eligible Person may participate in the Plan, the Board may make an offer to that person by an offer letter setting out the terms of the offer and any Conditions which may apply to the offer or the Awards (**Offer Letter**).
- (c) **(Issue Cap)** Unless the Company is unlisted or the Company constitution provides otherwise, the Company must not make an offer of Awards for monetary consideration under the Plan, where the total number of Shares to be issued under the Plan (**Plan Shares**) (or that will be issued upon conversion of convertible securities to be issued), when aggregated with the number of Plan Shares that may be issued as a result of offers made under the Plan, at any time during the previous 3 year period, would exceed 5% of the total number of Shares on issue at the date of the offer.

The Plan does not contain an issue cap on the number of Awards that may be issued for no monetary consideration, however the Board have decided to impose a cap of 14,000,000 Awards where no consideration is payable. This does not include the issue of Awards that are otherwise approved by Shareholders.

- (d) **(Disclosure)** All offers of Awards under the Plan for no monetary consideration are made pursuant to Division 1A of Part 7.12 of the Corporations Act and accordingly the Company will not issue a disclosure document for such an offer.

If the Company makes an offer to issue Awards under the Plan for monetary consideration, the Company will comply with the disclosure requirements in Division 1A of Part 7.12 of the Corporations Act.

- (e) **(Nature of Awards)** Each option or performance right entitles the holder, to subscribe for, or be transferred, one Share. Any Shares acquired as an Award or pursuant to the exercise of an Award will rank equally with all existing Shares from the date of acquisition.
- (f) **(Vesting)** Awards may be subject to exercise conditions, performance hurdles or vesting conditions (**Conditions**). These Conditions must be specified in the Offer Letter to Eligible Persons. In the event that a takeover bid for the Company is declared unconditional, there is a change of control in the Company, or if a merger by way of a scheme of arrangement has been approved by a court, then the Board may determine that:
 - (i) all or a percentage of unvested options will vest and become exercisable;
 - (ii) all or a percentage of performance rights will be automatically exercised; and
 - (iii) any Shares issued or transferred to a holder under the Plan that have restrictions (on their disposal, the granting of any security interests in or over, or otherwise on dealing with), will be free from any restrictions on disposal.
- (g) **(Exercise Period)** The period during which a vested Award may be exercised will commence when all Conditions have been satisfied, waived by the Board, or are deemed to have been satisfied under the rules of the Plan and the Company has issued a vesting notification to the holder, and ends on the Expiry Date (as defined at (j)(iv) below).
- (h) **(Disposal restrictions)** Awards granted under the Plan may not be assigned, transferred, novated, encumbered with a security interest (such as a mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature) over them, or otherwise disposed of by a holder, other than to a nominated party (such as an immediate family member, trustee of a trust or company) in accordance with the Plan, unless:

- (i) the prior consent of the Board is obtained; or
 - (ii) such assignment or transfer occurs by force of law upon the death of a holder to the holder's legal personal representative.
- (i) **(Cashless exercise)** Optionholders may, at their election, elect to pay the exercise price for an option by setting off the exercise price against the number of Shares which they are entitled to receive upon exercise of the option (**Cashless Exercise Facility**). By using the Cashless Exercise Facility, the optionholder will receive Shares to the value of the surplus after the exercise price has been set off.

If an optionholder elects to use the Cashless Exercise Facility, the optionholder will only be issued that number of Shares (rounded down to the nearest whole number) as are equal to the value of the difference between the exercise price otherwise payable for the options and the then market value of the Shares at the time of exercise (determined as the volume weighted average price on the ASX over the five trading days prior to providing a notice of exercise).

- (j) **(Lapse)** Unvested Awards will generally lapse on the earlier of:
- (i) the cessation of employment, engagement or office of the holder;
 - (ii) the day the Board makes a determination that all unvested Awards and vested options of the holder will lapse because, in the opinion of the Board the holder has acted fraudulently or dishonestly, or is in material breach of his or her duties or obligations to the Company;
 - (iii) if any applicable Conditions are not achieved by the relevant time;
 - (iv) if the Board determines that any applicable Conditions have not been met and cannot be met prior to the date that is 5 years from the grant date of an Award or any other date determined by the Board and as specified in the Offer (**Expiry Date**); or
 - (v) the Expiry Date.

Where a holder of Awards ceases to be employed or engaged by the Company and is not a "Bad Leaver" (as that term is defined in the Plan), and the Awards have vested, they will remain exercisable until the Awards lapse in accordance with the Plan rules or if they have not vested, the Board will determine as soon as reasonably practicable after the date the holder ceases to be employed or engaged, how many (if any) of those holder's Awards will be deemed to have vested and exercisable.

Where a holder becomes a "Bad Leaver" (as that term is defined in the Plan), all Awards, unvested or vested, will lapse on the date of the cessation of employment, engagement or office of that holder.

SCHEDULE 2 – TERMS AND CONDITIONS OF VERITAS OPTIONS

The Options are subject to the following terms and conditions:

1. Each Option entitles the holder to subscribe for and be issued one fully paid ordinary share in the capital of Motio (**Share**) upon payment of the Exercise Price.
2. The Options are to be issued for no consideration.
3. The Exercise Price and Expiry Date of each Option is referred to in the below table and the capitalised terms Exercise Price and Expiry Date shall be interpreted accordingly.

Option Class	Exercise Price	Expiry Date
4,000,000 Options	A\$0.0525	5:00pm (AWST) 26 July 2026
6,000,000 Options that will vest and can be exercised 12 months from the date of their issue	A\$0.07	5:00pm (AWST) 26 July 2027

4. The Options are transferrable with the prior consent of the Board.
5. The Options will not be quoted on ASX.
6. The Options may be exercised, in whole or in part (in multiples of no less than 100,000 Options (or where the holder holds less than 100,000 that lesser amount)), at any time after vesting (if applicable) and on or before they lapse under clause 9 by lodging with the Company a notice of exercise in the form contained at Part B (**Exercise Notice**), which must specify the number of vested (if applicable) Options being exercised accompanied by a cheque made payable to the Company or an electronic payment of the aggregate Exercise Price of the Options being exercised. An exercise of only some Options shall not affect the rights of the holder to the balance of the Options held by the holder. An Exercise Notice, once lodged with the Company, is irrevocable and by giving the Exercise Notice, the holder agrees:
 - (a) to subscribe for that number of Shares equivalent to the number of Options exercised under the Exercise Notice; and
 - (b) to become a member of the Company and be bound by the Company's constitution on the issue of Shares.
7. Within five business days of receipt of a valid Exercise Notice, the Company will issue fully paid ordinary Shares ranking pari passu with the then issued ordinary shares and deliver or arrange delivery of a statement of shareholdings with a holders' identification number.
8. The Company will apply for listing on the ASX of the resultant Shares of the Company issued upon the exercise of any Options.
9. The Options shall lapse on the Expiry Date.
10. The Options do not confer any right to vote at general meetings of the Company's shareholders, except as required by law.
11. There are no participating rights or entitlements inherent in the Options and the holder will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option before valid exercise.
12. The Options do not confer any right to participate in the surplus profit or assets of the Company upon a winding up.

13. Subject to all applicable laws and vesting of the Options (if applicable), the holder has the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options.
14. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
15. If there is a bonus share issue (**Bonus Issue**) to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank pari passu in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.
16. The Options will not give any right to participate in dividends until Shares are allotted pursuant to the valid exercise of the relevant Options.

SCHEDULE 3 – AUDITOR NOMINATION LETTER

8 November 2022

The Directors
Motio Ltd
Level 15, 189 Kent Street
Sydney NSW 2000

By e-mail

To whom it may concern,

AUDITOR NOMINATION

For the purposes of Section 328B(1) of the Corporations Act 2001 (Cth), I, Matthew Foy, being a member of Motio Limited (ACN 147 799 951) (the **Company**), hereby nominate HLB Mann Judd Assurance (NSW) Pty Ltd to be appointed as auditor of the Company at the Annual General Meeting to be held on 17 November 2023 at 9:30am EDST.

Yours sincerely,


Matthew Foy

Your proxy voting instruction must be received by **09.30am (AEDT) on Wednesday, 15 November 2023**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

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

YOUR NAME AND ADDRESS

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

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

Lodging your Proxy Voting Form:

Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

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



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE:

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

PHONE:

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

