

25 October 2023

ASX RELEASE

ASX: RFA

ANNUAL GENERAL MEETING

Notice and Proxy Form

DETAILS

Notice is given that the Annual General Meeting (Meeting) of Shareholders of Rare Foods Australia Ltd (Company) will be an in-person meeting held as follows:

BDO Australia Perth – Jarrah Room

Level 9, Mia Yellagonga Tower 2, 5 Spring Street Perth, Western Australia, 6000

Commencing at 1:00pm (WST) on Thursday, 30 November 2023

As permitted by the Corporations Act 2001 (Cth), the Company will not be dispatching physical copies of the Notice of Meeting unless the shareholder has made a valid election to receive documents in hard copy.

Instead, the Notice of Meeting and accompanying Explanatory Statement (Meeting Materials) are being made available to shareholders electronically and can be viewed and downloaded at the following link:

<https://rarefoodsaustralia.com.au/investor-reports/#announcement>

For those shareholders that have not elected to receive notice by email, a copy of your personalised Proxy Form is enclosed for your convenience. Please complete and return the attached Proxy Form to the Company's share registry, Automic, using any of the following methods:

Online: www.investor.automic.com.au/#/loginsah or scan the QR code available on the proxy form.

By mail: Automic, GPO Box 5193, Sydney NSW 2001, Australia

In person: Automic, Level 5, 126 Phillip Street, Sydney NSW 2000

By email: meetings@automicgroup.com.au

Your proxy voting instruction must be received by 1pm (WST) on Tuesday the 28th of 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. The Company strongly encourages all shareholders to submit their personalised Proxy Form as instructed prior to the Meeting.

The Meeting Materials should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their professional advisors prior to voting.

If you have difficulties obtaining a copy of the Meeting Materials, please contact the Company's share registry, Automic, on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia).

Authorised for release by:

Brent Stockden

Chief Financial Officer & Company Secretary

END

This announcement was authorised to be given to the ASX by:

The Board of Rare Foods Australia Limited.

For investor and media enquiries, please contact:

Rob Jorden – Chief Executive Officer
Email: rjorden@rarefoods.com.au
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Bradley Adams – Executive Director Corporate Development
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Brent Stockden – Chief Financial Officer, Company Secretary & Commercial Services Manager
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About the Company

Rare Foods Australia Limited (ASX: RFA) has developed the world's first commercial greenlip abalone sea ranching business in the pristine waters of Flinders Bay, Western Australia. With the construction of proprietary, purpose-built artificial abalone reefs (called "ABITATS™") now complete, RFA is supplying commercial quantities of its premium, 'wild-harvested', greenlip abalone to local and overseas customers.

For more information visit www.rarefoodsaustralia.com.au

RARE FOODS AUSTRALIA LIMITED
ACN 148 155 042
NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 1:00PM (AWST)
DATE: 30 November 2023
PLACE: BDO Australia Perth
Jarrah Room, Level 9, Mia Yellagonga Tower 2
5 Spring Street
PERTH WA 6000

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00PM (AWST) on 28 November 2023.

BUSINESS OF THE MEETING

AGENDA

1. 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 Director's report, the Remuneration Report and the auditor's report.

2. 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 purposes 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.

A voting prohibition statement applies to this Resolution. Please see below.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MS DANIELLE LEE

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 7.3 of the Constitution, Listing Rule 14.5 and for all other purposes, Ms Danielle Lee, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. RESOLUTION 3 – APPROVAL OF 7.1A MANDATE

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

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

5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF OPERATIONAL INSIGHTS SHARES

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 380,692 Shares on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES TO KINGWOOD CAPITAL PTY LTD

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 833,333 Shares on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES TO KINGWOOD CAPITAL PTY LTD

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 338,346 Shares on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

8. RESOLUTION 7 – ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO DIRECTOR – MR BRADLEY ADAMS

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 1,775,894 Performance Rights to Mr Bradley Adams (or his nominee) under the Incentive Performance Rights Plan on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

9. RESOLUTION 8 – RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That the existing proportional takeover provisions in the form set out in clause 4.14 of the Company's constitution are renewed for a period of three (3) years commencing from the date of the Meeting pursuant to 648G of the Corporations Act."

Voting Prohibition Statements

Resolution 1 – Adoption of Remuneration Report	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:</p> <ul style="list-style-type: none"> (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. <p>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:</p> <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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.
Resolution 7 – Issue Of Incentive Performance Rights to Director – Mr Bradley Adams	<p>A person appointed as a proxy must not vote on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (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. <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (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.

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution set out below by or on behalf of the following persons:

Resolution 4 – Ratification of prior issue of Operational Insights Shares	A person who participated in the issue or is a counterparty to the agreement being approved (namely Operational Insights Consulting Pty Ltd) or an associate of that person or those persons.
Resolution 5 – Ratification of prior issue of Shares to Kingwood Capital Pty Ltd	A person who participated in the issue or is a counterparty to the agreement being approved (namely Kingwood Capital Pty Ltd) or an associate of that person or those persons.
Resolution 6 – Ratification of prior issue of Shares to Kingwood Capital Pty Ltd	A person who participated in the issue or is a counterparty to the agreement being approved (namely Kingwood Capital Pty Ltd) or an associate of that person or those persons.
Resolution 7 – Issue of Incentive Performance Rights to Director – Mr Bradley Adams	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Bradley Adams) 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) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting 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, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two 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:

- 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.

Voting in person

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

Should you wish to discuss the matters in this Notice please do not hesitate to contact the Company Secretary on +61 8 6181 8888.

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.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, 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 www.rarefoodsaustralia.com.au.

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 to 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 a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

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 (**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 Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MS DANIELLE LEE

3.1 General

Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Ms Danielle Lee, who has served as a Non-Executive Director since 19 May 2017 and was last re-elected on 27 November 2020, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Ms Danielle Lee is an experienced corporate lawyer with more than 25 years of experience. She has a broad range of skills and legal experience in the areas of corporate advisory, governance and equity capital markets. She has advised Australian public and private companies in a range of industries on corporate transactions including capital raisings, ASX listings, business and share acquisitions, shareholder agreements and joint venture agreements. Ms Lee is currently a Non-Executive Director of Hazer Group Limited (ASX: HZR).

3.3 Independence

If re-elected the Board considers Ms Lee will be an independent Director.

3.4 Technical information required by Listing Rule 14.1A

If Resolution 2 is passed, Ms Danielle Lee will be re-elected to the Board as an independent Director.

In the event that Resolution 2 is not passed, Ms Danielle Lee will not continue in their role as an independent Director. The Company may seek nominations or otherwise identify suitably qualified candidates to join the Company. As an additional consequence, this may detract from the Board and Company's ability to execute on its strategic vision.

3.5 Board recommendation

The Board has reviewed Ms Lee's performance since her appointment to the Board and considers that her skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Ms Lee and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – APPROVAL OF 7.1A MANDATE

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.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$11,530,824 (based on the number of Shares on issue and the closing price of Shares on the ASX on 23 October 2023).

Resolution 3 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

For note, a special resolution is a resolution requiring at least 75% of votes cast by shareholders present and eligible to vote at the meeting in favour of the resolution.

If Resolution 3 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 3 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under 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.

4.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 3:

(a) Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) Minimum price

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued for cash consideration at a minimum price of 75% of the volume weighted average price of Equity

Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 4.2(b)(i), the date on which the Equity Securities are issued.

(c) **Use of funds raised under the 7.1A Mandate**

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for the continued development of the Company's current assets, the acquisition of new assets or other investments (including expenses associated with such acquisition), and for general working capital.

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

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue or proposed to be issued as at 23 October 2023.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Dilution		
			Issue Price		
			\$0.029	\$0.057	\$0.086
			50% decrease	Issue Price	50% increase
			Funds Raised		
Current	202,295,151	20,229,515	\$586,655	\$1,153,082	\$1,739,738
50% increase	303,442,727	30,344,272	\$879,983	\$1,729,623	\$2,609,607
100% increase	404,590,302	40,459,030	\$1,173,311	\$2,306,164	\$3,479,476

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 202,295,151 existing Shares as at the date of this Notice;

2. The issue price set out above is the closing market price of the Shares on the ASX on 23 October 2023 (being \$0.057).
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
8. 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%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and

- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 25 November 2022 (**Previous Approval**).

During the 12-month period preceding the date of the Meeting, being on and from 30 November 2022, the Company has not issued any Equity Securities pursuant to the Previous Approval.

4.3 Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

10. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF OPERATIONAL INSIGHTS SHARES

4.4 General

On 22 December 2022, the Company issued 380,692 Shares in consideration for services provided by Operational Insights Consulting Pty Ltd.

The material terms of the agreement between Operational Insights Consulting Pty Ltd and the Company (**Operational Insights Agreement**) are set out below:

- (a) **Term** – 1 January 2022 to 30 June 2022.
- (b) **Fees** – The Company will issue to Operational Insights Consulting Pty Ltd 380,692 Shares at a deemed issue price of \$0.0788 (\$30,000).
- (c) **Services** – Operational Insights Consulting Pty Ltd's responsibilities under the Operational Insights Agreement are as follows:
 - (i) develop and implement a digital twin of the Company's Augusta Ranch;
 - (ii) socialise the digital twin tool to ensure all the Company's technical support team members to have a complete understanding of its capability; and
 - (iii) design a process to develop the digital twin into a real time scheduling tool;
 - (iv) manage the build and implementation of the real time scheduling tool into the day-to-day operation of the business.

The Operational Insights Agreement otherwise contains standard terms for an agreement of this nature.

The issue of the Shares did not breach Listing Rule 7.1 at the time of the issue.

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 12-month period.

Under 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%.

The Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 3 being passed at this Meeting.

The issue of the Shares does not fit within any of the exceptions set out in Listing Rule 7.12-months it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the date of issue of the Shares.

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

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Shares.

Resolution 4 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Shares.

4.5 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, 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 Shares.

If Resolution 4 is not passed, the Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Shares.

It is noted that the Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 3 being passed at this Meeting.

4.6 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- (a) the Shares were issued to Operational Insights Consulting Pty Ltd;
- (d) 380,692 Shares were issued and the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

- (e) the Shares were issued on 21 December 2022;
- (f) the Shares were issued at a nil issue price, in consideration for consulting services provided by Operational Insights Consulting Pty Ltd. The Company has not and will not receive any other consideration for the issue of the Shares;
- (g) the purpose of the issue of the Shares was to satisfy the Company's obligations under the Operational Insights Agreement; and
- (h) the Shares were issued to Operational Insights Consulting Pty Ltd under the Operational Insights Agreement. A summary of the material terms of the Operational Insights Agreement set out in Section 5.1.

5. RESOLUTIONS 5 AND 6 – RATIFICATION OF PRIOR ISSUE OF SHARES TO KINGWOOD CAPITAL PTY LTD

5.1 General

The Company has engaged Kingwood Capital Pty Ltd to provide corporate advisory services to the Company. The Company has previously issued:

- (a) 833,333 Shares on 21 December 2022 (being the subject of Resolution 5); and
- (b) 338,346 Shares on 3 May 2023 (being the subject of Resolution 6),

to Kingwood Capital Pty Ltd, in consideration for these services provided to the Company.

The material terms of the corporate advisory agreement between Kingwood Capital Pty Ltd and the Company (**Kingwood Agreement**) are set out below:

- (a) **Term** – The Kingwood Agreement began on 1 August 2022 and continues on an ongoing basis.
- (b) **Fees** – The Company will pay a \$4,500 retainer fee, accruing monthly.
- (c) **Services** – Kingwood Capital Pty Ltd's responsibilities under the Kingwood Agreement are as follows:
 - (i) Provide corporate advisory services focusing on developing business strategies;
 - (ii) review financial information and business information; and
 - (iii) assist, when appropriate, in developing financial models.

The Kingwood Agreement otherwise contains standard terms for an agreement of this nature.

The issue of the Shares did not breach Listing Rule 7.1 at the time of the issue.

As summarised in Section 5.1 above, 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 12-month period.

Under 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%.

The Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 3 being passed at this Meeting.

The issue of the Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Shares.

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

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Shares.

Resolutions 5 and 6 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Shares.

5.2 Technical information required by Listing Rule 14.1A

If Resolutions 5 and 6 are passed, the Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, 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 Shares.

If Resolutions 5 and 6 are not passed, the Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Shares.

It is noted that the Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 3 being passed at this Meeting.

5.3 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 5 and 6:

- (a) the Shares were issued to Kingwood Capital Pty Ltd;
- (b) the Company issued:
 - (i) 833,333 Shares on 21 December 2022 (the subject of Resolution 5); and
 - (ii) 338,346 Shares on 3 May 2023 (the subject of Resolution 6);

- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued at a nil issue price, in consideration for corporate advisory services provided by Kingwood Capital Pty Ltd. The Company has not and will not receive any other consideration for the issue of the Shares;
- (e) the purpose of the issue of the Shares was to satisfy the Company's obligations under a mandate with Kingwood Capital Pty Ltd; and
- (f) the Shares were issued to Kingwood Capital Pty Ltd under the Kingwood Agreement. A summary of the material terms of the Kingwood Agreement is set out in Section 6.1.

6. RESOLUTION 7 – ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO DIRECTOR – MR BRADLEY ADAMS

6.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue 1,775,894 Performance Rights to Mr Bradley Adams (or his nominee) pursuant to the Incentive Performance Rights Plan and on the terms and conditions set out below (**Incentive Performance Rights**).

6.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

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

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

The issue of the Incentive Performance Rights to Mr Bradley Adams (or his nominee) constitutes giving a financial benefit and Mr Bradley Adams is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Bradley Adams) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Performance Rights, because the issue of Incentive Performance Rights constitutes reasonable remuneration payable to Mr Bradley Adams.

6.3 Listing Rule 10.14

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- 10.14.1 a director of the entity;

- 10.14.2 an associate of a director of the entity; or
- 10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Incentive Performance Rights to Mr Bradley Adams falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolution 7 seeks the required Shareholder approval for the issue of the Incentive Performance Rights under and for the purposes of Listing Rule 10.14.

6.4 Technical information required by Listing Rule 14.1A

If Resolution 7 is passed, the Company will be able to proceed with the issue of the Incentive Performance Rights to Mr Bradley Adams under the Performance Rights Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Incentive Performance Rights (because approval is being obtained under Listing Rule 10.14), the issue of the Incentive Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of the Incentive Performance Rights to Mr Bradley Adams under the Performance Rights Plan and the Company will be forced to explore other avenues to remunerate and incentivise Mr Bradley Adams.

6.5 Technical information required by Listing Rule 10.15

Pursuant to and in accordance with the requirements of Listing Rule 10.15, the following information is provided in relation to Resolution 7:

- (a) the Incentive Performance Rights will be issued to Mr Bradley Adams (or their nominee), who falls within the category set out in Listing Rule 10.14.1, by virtue of Mr Bradley Adams being a Director;
- (b) the maximum number of Incentive Performance Rights to be issued to Mr Bradley Adams (or his nominee) is 1,775,894, comprising of 887,947 Class G Performance Rights and 887,947 Class H Performance Rights;
- (c) the current total remuneration package for Mr Bradley Adams is \$271,950, comprising of directors' fees/salary of \$245,000 and a superannuation payment of \$26,950. If the Incentive Performance Rights are issued, the total remuneration package of Mr Bradley Adams will increase by \$106,382 to \$351,382, being the value of the Incentive Performance Rights (based on the Black Scholes methodology);
- (d) no Incentive Performance Rights have previously been issued to Mr Bradley Adams under the Employee Incentive Plan;
- (e) a summary of the material terms and conditions of the Incentive Performance Rights is set out in Schedule 1;
- (f) the Incentive Performance Rights are unquoted performance rights. The Company has chosen to grant the Incentive Performance Rights to Mr Bradley Adams for the following reasons:

- (i) the Incentive Performance Rights are unlisted, therefore the grant of the Incentive Performance Rights has no immediate dilutionary impact on Shareholders;
 - (ii) the issue of Incentive Performance Rights to Mr Bradley Adams will align the interests of Mr Bradley Adams with those of Shareholders;
 - (iii) the issue of the Incentive Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Bradley Adams; and
 - (iv) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Incentive Performance Rights on the terms proposed;
- (g) the Company's valuation of the Incentive Performance Rights is set out in Schedule 3;
 - (h) the Incentive Performance Rights will be issued to Mr Bradley Adams (or their nominee) no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Incentive Performance Rights will be issued on one date;
 - (i) the issue price of the Incentive Performance Rights will be nil, as such no funds will be raised from the issue of the Incentive Performance Rights;
 - (j) a summary of the material terms and conditions of the Performance Rights Plan is set out in Schedule 2;
 - (k) no loan is being made to Mr Bradley Adams in connection with the acquisition of the Incentive Performance Rights;
 - (l) details of any Performance Rights issued under the Performance Rights Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14; and
 - (m) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Performance Rights Plan after Resolution 7 is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.

11. RESOLUTION 8 – RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS

11.1 Background

The Company's constitution currently contains provisions dealing with proportional takeover bids for the Company's Shares. The provisions, which are contained in clause 4.14 of the Constitution, are designed to assist shareholders to receive proper value for their Shares if a proportional takeover bid is made for the Company.

Under the Corporations Act, these provisions must be renewed every three years, or they will cease to have effect. If renewed, the proposed proportional takeover provisions will be in exactly the same terms as the existing provisions and will have effect for a three-year period commencing on 30 November 2023.

The Corporations Act requires that the following information be provided to Shareholders when they are considering the inclusion of proportional takeover provisions in a constitution.

11.2 Effect of the provisions to be included

If included, in the event that a proportional takeover offer is made to Shareholders, the Board will be required to convene a meeting of Shareholders to vote on a resolution to approve the proportional takeover offer. That meeting must be held at least 14 days before the offer under the proportional takeover bid closes. The resolution shall be taken to have been passed if a majority of Shares voted at the meeting, excluding the Shares of the bidder and its associates, vote in favour of the resolution. The Directors will breach the Corporations Act if they fail to ensure the approving resolution is voted on.

However, if no resolution is voted on before the end of the 14th day before the close of the offer, the resolution will be deemed to have been passed. Where the resolution approving the offer is passed or deemed to have been passed, transfers of shares resulting from accepting the offer will be registered provided they otherwise comply with the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and the Constitution. If the resolution is rejected, then in accordance with the Corporations Act, the offer will be deemed to be withdrawn and transfers that would have resulted from acceptance of a bid will not be registered.

The proportional takeover approval provisions do not apply to full takeover bids and only apply for three years after the date of adoption of the provisions. The provisions will cease to apply unless renewed at the end of 3 years after their adoption.

11.3 Reasons for the provisions to be included

Without proportional takeover provisions, control of a target company may pass without Shareholders having the chance to sell all of their shares to the bidder. This means the bidder could take control of the target without paying an adequate premium, whilst potentially leaving shareholders with a minority interest. To deal with this, a company may provide in its constitution that if a proportional takeover bid is made for shares in that company, shareholders must vote on whether to accept or reject the offer and that decision will be binding on all shareholders.

11.4 Present acquisition proposals

As at the date on which this Explanatory Memorandum is prepared no Director is aware of a proposal by any person to acquire or to increase the extent of a substantial interest in the Company.

11.5 Potential advantages

The potential advantages of adopting the proportional takeover provisions for Shareholders are:

- (a) Shareholders have the right to determine by majority vote whether a proportional takeover bid should proceed;

- (b) the provisions may help Shareholders avoid being locked in as a minority;
- (c) the provisions may give Shareholders increased bargaining power and ensure any potential bid is adequately priced; and
- (d) knowing the consensus of majority Shareholders may assist individual Shareholders in assessing the likely outcome of the takeover bid and whether to accept or reject an offer under the bid.

11.6 Potential disadvantages

The potential disadvantages of the proportional takeover provisions for Shareholders are:

- (a) proportional takeover bids for shares in the Company may be discouraged;
- (b) Shareholders may have reduced opportunities to sell all or some of their Shares at a premium to a potential bidder aiming to seek control of the Company, and any takeover speculation element in the Company's share price may be reduced;
- (c) the likelihood of a successful of a proportional takeover bid be diminished; and
- (d) the provisions may be considered an additional restriction on the ability of individual Shareholders to deal freely in their Shares.

11.7 Directors' recommendation

The Directors consider that the potential advantages for Shareholders of renewing the proportional takeover provisions outweigh the potential disadvantages as Shareholders as a whole would be able to decide whether or not a proportional takeover bid is successful. The Directors further consider that renewing the takeover provisions would have no potential advantages or disadvantages for them in their capacity as Directors.

If this Resolution 8 is approved, the renewed proportional takeover provisions will take effect from the date of the Meeting.

SCHEDULE 1 – TERMS AND CONDITIONS OF INCENTIVE PERFORMANCE RIGHTS

The following is a summary of the key terms and conditions of the Performance Rights:

(a) **Milestones**

The Performance Rights will vest upon satisfaction of the following milestones:

- (i) **Class G Performance Rights:** The proportion of Performance Rights available to vest following a determination of the abalone harvest between 1 July 2022 to the lapse of a Performance Right summarised below:

Abalone harvest over performance period	Proportion of Performance Rights available to vest (%)
Less than 175,000 kg	0%
Greater than 175,000 kg and up to 187,000 kg	On a straight-line pro-rata basis between 50% to 99%
Greater than or equal to 187,000kg	100%

- (ii) **Class H Performance Rights:** The proportion of Performance Rights available to vest following a determination of the EBIT between 1 July 2022 to the lapse of a Performance Right summarised below:

EBIT target over performance period	Proportion of Performance Rights available to vest (%)
Less or equal to \$500,000	0%
Greater than \$500,000 and up to \$749,999	On a straight-line pro-rata basis between 50% to 99%
Greater than or equal to \$750,000	100%

(together, the **Milestones** and each, a **Milestone**).

(b) **Notification to holder**

The Company shall notify the holder in writing when the relevant Milestone has been satisfied.

(c) **Conversion**

Subject to paragraph (n), upon vesting, each Performance Right will, at the election of the holder, convert into one Share.

(d) **Lapse of a Performance Right**

The Class G and H Performance Rights will automatically lapse upon the earlier to occur of:

- (i) 30 June 2024; and
- (ii) otherwise in accordance with the terms of the Incentive Plan.

(e) **Consideration**

The Performance Rights will be issued for nil consideration and no consideration will be payable upon the conversion of the Performance Rights into Shares.

(f) **Share ranking**

All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other existing Shares.

(g) **Application to ASX**

The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.

(h) **Timing of issue of Shares on conversion**

Within 5 business days after the date that the Performance Rights are converted, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights converted;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the Official List of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the conversion of the Performance Rights.

If a notice delivered under paragraph (h)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 business days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) **Transfer of Performance Rights**

The Performance Rights are not transferable.

(j) **Participation in new issues**

A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of

Shares such as bonus issues and entitlement issues without exercising the Performance Right.

(k) **Reorganisation of capital**

If at any time the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.

(l) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to the Company's existing shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares or other securities which must be issued on the conversion of a Performance Right will be increased by the number of Shares or other securities which the holder would have received if the holder had converted the Performance Right before the record date for the bonus issue.

(m) **Dividend and voting rights**

The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.

(n) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the conversion of a Performance Right under paragraph (c) would result in any person being in contravention of section 606(1) of the *Corporations Act 2001 (Cth)* (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:

- (i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition; and
- (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (n)(i) within 7 days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.

(o) **No rights to return of capital**

A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(p) **Rights on winding up**

A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

(q) **ASX Listing Rule compliance**

The Board reserves the right to amend any term of the Performance Rights to ensure compliance with the ASX Listing Rules.

(r) **No other rights**

A Performance Right gives the holder no rights other than those expressly provided by these terms and conditions and those provided at law where such rights at law cannot be excluded by these terms.

SCHEDULE 2 – TERMS AND CONDITIONS OF EMPLOYEE INCENTIVE PLAN

A summary of the terms and conditions of the Employee Incentive Plan are set out in the table below:

1.	Purpose	The purpose of the Employee Incentive Plan is to provide an incentive for eligible participants to participate in the future growth of the Company and to offer any of Options or Performance Rights to assist with reward, retention, motivation and recruitment of eligible participants.
2.	Eligible Participants	Eligible participants are a full or part-time employee, or a director of the Company or a subsidiary, any person who provides services to the Company including contractors and casual employees and prospective parties in these capacities (Eligible Participants).
3.	Offers	Subject to any necessary Shareholder approval, the Board may offer Options or Performance Rights to Eligible Participants for nil consideration.
4.	Expiry Date	The expiry date of any Options or Performance Rights will be determined by the Board.
5.	Vesting Conditions and Lapse	<p>An Option or Performance Right may only be exercised after it has vested and before its expiry date. The Board may determine the conditions upon the vesting of the Options or Performance Rights at its discretion. By way of example, the Board may impose Share price and/or continuous service vesting hurdles.</p> <p>An Option or Performance Right lapses upon various events including a vesting condition not being satisfied, a participant ceasing to be an Eligible Participant (except for certain matters such as death or permanent disablement) and upon misconduct by a participant.</p>
6.	Shares issued on vesting	Each Option or Performance Right entitles the holder to one fully paid ordinary share on exercise or vesting.
7.	Transferability and quotation	An Option or Performance Right may not be transferred without the prior written approval of the Board or by force of law. Quotation of the Options or Performance Rights on the ASX will not be sought. However, the Company will apply for official quotation of Shares issued on the exercise of the Options or vesting of the Performance Rights.
8.	No voting or dividend rights	The Options or Performance Rights are personal and do not confer any entitlement to attend or vote at meetings, any entitlement to dividends or any entitlement to participate in any return of capital unless the Options or Performance Rights are vested and the underlying Shares have been issued.

9.	No participation rights	The Options or Performance Rights do not entitle the holder to participate in the issue of securities unless the Options or Performance Rights are exercised or vested and Shares have been issued before the record date for determining entitlements.
10.	Limitation on number of securities	Securities to be issued under the Employee Incentive Plan in any 3-year period must not exceed 5% of the total number of Shares on issue at the time of the relevant offer. Various excluded offers may be disregarded so as to not count for the 5% limit being an offer where there is no monetary consideration, any offer to a person outside Australia, an offer not requiring disclosure to investors because of section 708 of the Corporations Act or an offer made under a disclosure document.
11.	Administration of the Employee Incentive Plan	The Employee Incentive Plan will be administered under the directions of the Board and the Board may determine procedures for the administration of the Employee Incentive Plan as it considers appropriate.
12.	Operation	The operation of the Employee Incentive Plan is subject to the Listing Rules and the Corporations Act.
13.	Application of Subdivision 83A-C of the <i>Income Tax Assessment Act 1997 (Cth)</i>	Subdivision 83A-C (deferred inclusion of gain in assessable income) of the <i>Income Tax Assessment Act 1997 (Cth)</i> applies to the Employee Incentive Plan and holders of securities issued under the Employee Incentive Plan may agree to a restriction period for the disposal or transfer of the securities including any underlying securities.

SCHEDULE 3 – VALUATION OF INCENTIVE PERFORMANCE RIGHTS

The Incentive Performance Rights to be issued to Mr Bradley Adams pursuant to Resolution 7 have been independently valued internally by management. The Incentive Performance Rights have been valued using the Black and Scholes option pricing model.

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

Input	Class G Performance Rights	Class H Performance Rights
Number of Incentive Performance Rights	887,947	887,947
Underlying Share spot price ¹	\$0.06	\$0.06
Exercise Price ²	Nil	Nil
Dividend rate ³	Nil	Nil
Risk free rate ⁴	4.6%	4.6%
Expected future volatility ⁵	60%	60%
Life of the Performance Rights ⁶	0.70 years	0.70 years
Valuation	887,947 Performance Rights – \$0.0599 each (\$53,191)	887,947 Performance Rights – \$0.0599 each (\$53,191)

Note:

1. The underlying share spot price used for the purpose of the valuation is based on the closing Share price of \$0.06 on 19 October 2023.
2. There is no exercise price.
3. No dividends are expected to be paid during the life of the Incentive Performance Rights.
4. The risk-free rate is based on the 2-year Commonwealth Government bond rate at 19 October 2023.
5. The expected future volatility was calculated from the Company's historical trading volatility over a 0.7-year period.
6. The life of the Incentive Performance Rights is from the date that Shareholder approval is received for Resolution 7 at the Meeting to 30 June 2024 with 0.70 years remaining.

Rare Foods Australia Limited | ABN 52 148 155 042

Your proxy voting instruction must be received by **01.00pm (AWST) on Tuesday, 28 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.



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RARE FOODS IS GOING GREEN AND PAPERLESS

WHY SWITCH TO PAPERLESS CORRESPONDENCE?



Save Time

Receive announcements and notifications as soon as they are released in the ASX in real-time, instead of waiting for the post.



Save Space

Reduce the clutter that enters your home, and receive correspondence via email or as digital, paper-free PDF. Compatible with any device.



Save the Environment

In Australia, each person uses an average 230kg of paper per year. Let's help reduce this waste by going paper-free.

At Rare Foods Australia, we strive to be sustainable and reduce our carbon footprint wherever possible. That means we prefer corresponding via emails vs. a multitude of printed paper. We feel our shareholders echo our thoughts on this and to that end; here are some simple steps to help you move towards Email correspondence when hearing from us.

HOW DO I ELECT TO RECEIVE ALL CORRESPONDENCE BY EMAIL?

You can elect to receive all correspondence, such as annual reports, notice of meetings, newsletters and more, by **email**. You can make this election by:

1. **Using Automic's Investor Portal – investor.automic.com.au :**
 - If you have already registered, simply enter your username and password and click "**Log in**".
 - If you have not yet registered, simply click "**Register**", and follow the prompts.
2. **Once you have logged in, click on "profile".**
 - You can then select "**Edit**" in the Communication Preferences section.
 - Once you have selected "**Electronic Only**" and added your email address, click "**Save**".

MANY THANKS FOR YOUR SUPPORT AS WE STRIVE
TOWARDS A MORE SUSTAINABLE FUTURE.

Any issues? Feel free to contact Automic via email (hello@automic.com.au) or by phone (1300 288 664).