



EMERALD RESOURCES NL

ACN 009 795 046

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11:00 am (WST)

DATE: Wednesday, 29 November 2023

PLACE: 1304 Hay Street
WEST PERTH WA 6005

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

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.

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 (WST) on Monday, 27 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 Directors' Declaration, the Directors' Report, the Remuneration Report and the Independent 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.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either 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.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR SIMON LEE AO

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 15.2 of the Constitution, Listing Rule 14.4 and for all other purposes, Simon Lee AO, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MS BILLIE JEAN SLOTT

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 15.2 of the Constitution, and for all other purposes, Billie Jean Slott, a Director, retires by rotation, and being eligible, is re-elected as a Director."

5. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR MARK CLEMENTS

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 15.2 of the Constitution, Listing Rule 14.4 and for all other purposes, Mark Clements, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

6. RESOLUTION 5 – ISSUE OF OPTIONS TO DIRECTOR – MR MICHAEL EVANS

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 500,000 Options to Michael Evans (or his nominee) under the Incentive Option Plan on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Company incentive scheme in question (including Mr Evans) 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 Prohibition Statement:

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.

7. RESOLUTION 6 – ADOPTION OF COMPANY SECURITIES INCENTIVE PLAN

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

“That, for the purposes of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt a new Company incentive

scheme titled 'Company Securities Incentive Plan' (which following the passage of this Resolution, replaces the current Incentive Option Plan) (2023 Company Securities Incentive Plan) and for the issue of Securities under that 2023 Company Securities Incentive Plan, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is eligible to participate in the Company Securities Incentive Plan 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 Prohibition Statement:

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.

Dated: 13 October 2023

By order of the Board

**Mark Clements
Company Secretary**

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 (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (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:

- 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, Shareholders are able to attend the Meeting at the time, date and place set out above.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9286 6300.

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 Directors' Declaration, the Directors' Report, the Remuneration Report and the Independent 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.emeraldresources.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 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 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 polling votes cast for the remuneration report considered at that annual general meeting were 99%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.4 Remuneration structure, policy and strategy

The Company has outlined its remuneration structure, policy and strategy in the Remuneration Report contained within the Annual Report for the year ended 30 June 2023.

The Company has taken positive steps to engage with all key stakeholders including meeting with shareholders and liaising with proxy advisors to fully understand the views of stakeholders and has sought to incorporate those views into the development of its remuneration strategy.

Emerald recognises that success cannot be achieved without having a Company built on strong fundamentals, driven by a group of high achieving employees who are committed to the corporate vision and, most importantly, supported by a continuous social licence to operate.

As Emerald looks to the future, we aim to continue to grow and mature towards becoming a multi-project resource producer and employer of choice. To attract and retain competent people for the right roles, the Board has sought to ensure that the remuneration strategy for the executive team and broader staff base is progressive and consistent with the Company objectives and motivates them to grow the Company's long-term shareholder value.

The Company's remuneration principles are set to align with business needs and market practice and implement a clear and consistent remuneration approach for the Company that could grow as development activities increase.

How to Measure the Success of the Philosophy:

The Company measures the success of its remuneration philosophy on;

- (a) The willingness of potential employees to join the Company to be part of a successful project, to be well rewarded and, importantly, to be part of a culture representing an employer of choice;
- (b) Zero or low staff turnover.

In the previous reporting period, the Company engaged with independent remuneration consultants, The Reward Practice to ensure that the remuneration structure, policy and strategy for the executive team and employees were aligned with shareholder expectations and reflect the Company's strategy. The Company also obtained references to other meaningful industry remuneration survey data, as the Company progressed toward its strategic objective of becoming a multi-project resource producer.

In FY23, the Company entered an important phase and we believe that the remuneration framework is appropriate and fit-for-purpose based on the Company's development and growth profile and to drive and deliver the outcomes desired by all shareholders.

2.5 Remuneration Outcomes for FY23

Details of the remuneration outcomes for FY23 are summarised in the Remuneration Report contained within the Company's Annual Report for the year ended 30 June 2023 and below.

Executive Fixed Remuneration

- Fixed remuneration increased in 2023 for the Managing Director and Executive Director ('Executive Directors') following an internal review by the Remuneration Committee and references to other meaningful industry remuneration survey data.
- For other KMP; Ms Campbell was appointed Acting Chief Financial Officer on 1 September 2022 and appointed Chief Financial Officer on 14 February 2023. Mr Dunnachie transitioned from Chief Financial Officer to Executive - Corporate on 1

September 2022. Both other KMP's fixed remuneration increased in 2023 following an internal review by the Remuneration Committee considering their new positions and references to other meaningful industry remuneration survey data.

Executive Incentives

- **Short-term incentives ('STI'):**
The STI framework which measures performance for the Executive Directors, other KMP and key staff based upon the Company's Critical Pillars and Strategic Pillars, resulting in the achievement of 87.5% of the STI opportunity.
- **Long-term incentives ('LTI'):**
There were no options issued to Directors or other KMP during the year other than to the Executive – Corporate (Mr Brett Dunnachie), Chief Financial Officer (Ms Shannon Campbell) and to the Executive Director (Mr Michael Evans), who was critical to the success of the construction and commissioning of the Okvau Gold Mine. Mr Evans' options were issued following shareholder approval at the Company's annual general meeting held 24 November 2022. Details of these options were included in the Notice of Annual General Meeting announced 24 October 2022. The resolution received more than 99% of 'Yes' votes. The vesting period of the options is three years, subject to continued employment.

Non-Executive Director remuneration

- The aggregate remuneration pool for Non-Executive Directors was increased from \$500,000 to \$1,000,000 following shareholder approval at the Company's Annual General Meeting held 24 November 2022. This represented the second request for an increase in the Non-Executive Director fee pool since 2011 to reflect the future growth of the Company and the planned increase in the number of independent Directors.

Remuneration Committee

- The composition of the Committee now includes only independent Non-Executive Directors with Mr Michael Bowen appointed as Chair subsequent to year end, following the appointment of Mr Jay Hughes as Non-Executive Chairman.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR SIMON LEE AO

3.1 General

Listing Rule 14.4 and clause 15.2 of the constitution provide that, other than a managing director, a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer. However, where there is more than one managing director, only one is entitled to be exempt from this rotation requirement.

Mr Simon Lee AO, who has served as an independent Non-Executive Chairman from 20 August 2014 to 8 August 2023 and a Non-Executive Director from 8 August 2023 to the date of this Meeting, and was last re-elected on 25 November 2020, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

(a) Biographical details

Mr Lee is a highly respected and experienced director who has had extensive management experience with a diverse range of business enterprises in a career that has based him in Asia, England, Canada and Australia. Mr Lee has held a number of positions, which included Board Member of the Australian Trade Commission (AUSTRADE), Chairman of the Western Australian Museum Foundation Trust and President of the Western Australian Chinese Chamber of

Commerce Inc. In 1993 Mr Lee received the Advance Australia Award for his contribution to commerce and industry and in 1994 he was bestowed an Officer of the Order of Australia. Mr Lee has a successful track record in the resources industry which has included building gold mining companies, Great Victoria Gold NL, Samantha Gold NL and Equigold NL.

Mr Lee has no other ASX directorships.

(b) Details of Committee Memberships

Mr Lee is a member of the Audit Committee and the Remuneration Committee.

3.3 Independence

If re-elected the Board considers Mr Lee will be an independent Non-Executive Director. Mr Lee is considered independent as he is not a director, shareholder or involved in the management of SHL Pty Ltd which was associated with a substantial holder during the previous reporting period. The Board is of the opinion that this relationship does not materially influence or could reasonably be perceived to materially influence his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity and its security holders generally.

3.4 Other material information

The composition of the Board has been structured so as to provide Emerald with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent shareholders and fulfill the business objectives of the Company.

In FY23, the Board consisted of a majority of independent directors. The Chairman is independent and the Board comprises directors who each have extensive technical, financial and commercial expertise. As the Company has transitioned from an explorer to producer, the Board has selected and appointed suitable independent Non-Executive Director candidates to complement the existing competencies of the Board to drive performance, create shareholder value and lead ethically by example.

3.5 Board recommendation

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

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MS BILLIE JEAN SLOTT

4.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting. Clause 15.2 of the constitution provides that at the Company's annual general meeting every year, one third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office.

Ms Billie Jean Slott, who has served as an independent Non-Executive Director since 4 October 2021 and was last re-elected on 25 November 2021, retires by rotation and seeks re-election.

4.2 Qualifications and other material directorships

(a) Biographical details

Ms Slott is well regarded in Cambodian legal and political circles where she has distinguished herself as a commercial and dispute resolution legal advisor over

the past 16 years. She has represented both private companies and the Royal Government of Cambodia.

Ms Slott has been the legal advisor for the Company's 100% owned 2.0Mtpa Okvau Gold Project since 2006 (including its previous owners) and has been heavily involved in the regulatory process associated with the mine's development into the 100,000+ ounce per annum gold producing Okvau Gold Mine.

Other highlights of Ms Slott's Cambodian business achievements include the establishment of the Cambodian National Commercial Arbitration Centre, under appointment by the Royal Government of Cambodia. She was a founding member of the Cambodian mining association, CAMEC. Ms Slott has also distinguished herself by teaching Cambodian and international law in the areas of criminal law, civil procedure, and environmental law at American University of Phnom Penh where she is still legal counsel.

Prior to her time in Cambodia Ms Slott worked as in-house counsel for an Australian civil engineering firm in East Timor, assisted Conoco Phillips on government relations issues (also in East Timor) and was legal advisor under the United Nations Transitional Authority in East Timor.

Ms Slott is a resident of California and member of the California State Bar.

Ms Slott is a director of the Company's wholly owned subsidiary in Cambodia. Ms Slott has no other ASX directorships.

(b) Details of Committee Memberships

Ms Slott is a member of the Audit Committee and the Remuneration Committee.

4.3 Independence

Ms Slott has been the legal advisor for the Company's 100% owned 2.0Mtpa Okvau Gold Project since 2006 (including its previous owners) and has been heavily involved in the regulatory process associated with the mine's development into a 100,000+ ounce per annum gold producing Okvau Gold Mine and provides these services on a commercial arm's length basis. She is also a director of the Company's wholly owned subsidiary in Cambodia. The Board is of the opinion that this relationship does not influence, or reasonably be perceived to influence, in a material respect her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party. If re-elected the Board considers Ms Slott will be an independent Non-Executive Director.

4.4 Other material information

The composition of the Board has been structured so as to provide Emerald with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent shareholders and fulfill the business objectives of the Company.

In FY23, the Board consisted of a majority of independent directors. The Chairman is independent and the Board comprises directors who each have extensive technical, financial and commercial expertise. As the Company has transitioned from an explorer to producer, the Board has selected and appointed suitable independent Non-Executive Director candidates to complement the existing competencies of the Board to drive performance, create shareholder value and lead ethically by example.

4.5 Board recommendation

The Board and executive team have focused on developing the right culture across the organisation, with the right attributes, qualities and sharing a strong belief of the benefits

of our engagement and development in Cambodia for our employees and the Cambodian people in general. Ms Slott has demonstrated these attributes as an advisor to the Okvau Gold Mine throughout the years. Further, the Board has reviewed Ms Slott's performance since she was last re-elected and considers that Ms Slott's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the election of Ms Slott and recommends that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR MARK CLEMENTS

5.1 General

Listing Rule 14.4 and clause 15.2 of the constitution provide that, other than a managing director, a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer. However, where there is more than one managing director, only one is entitled to be exempt from this rotation requirement.

Mr Mark Clements, who has served as an independent Non-Executive Director since 12 June 2020 and was last re-elected on 25 November 2020, retires by rotation and seeks re-election.

Qualifications and other material directorships

(a) Biographical details

Mr Clements has an extensive range of experience in capital management, finance, financial reporting, corporate strategy and governance across a range of industries. He was appointed Emerald's Company Secretary in 2014 and is a Fellow of the Institute of Chartered Accountants in Australia, Fellow of the Governance Institute of Australia and a Member of the Australian Institute of Company Directors. He is company secretary for a number of diversified ASX listed companies. Mr Clements is currently Non-Executive Chairman of ASX listed company Alterra Limited.

(b) Details of Committee Membership

Mr Clements is Chair of the Audit Committee. Mr Clements is a Fellow of the Institute of Chartered Accountants in Australia and has significant experience in relation to managing external audit processes, liaising with and assessing the performance of external auditors, liaising with management on financial matters and understanding the regulatory framework governing financial reporting, compliance and disclosure. He previously worked for an international accounting firm.

Mr Clements also serves as a member of the Company's Remuneration Committee.

5.2 Independence

If elected the Board considers Mr Clements will be an independent Non-Executive Director. Mr Clements is a director of Balion Pty Ltd which provides company secretarial and director services to the Company on a commercial, arms-length basis. He also provides company secretarial services to a number of other ASX listed companies via services agreements with Balion Pty Ltd. The Board is of the opinion that this relationship does not materially influence or could reasonably be perceived to materially influence his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity and its security holders generally.

5.3 Other material information

The composition of the Board has been structured so as to provide Emerald with an adequate mix of directors with industry knowledge, technical, commercial and financial

skills together with integrity and judgment considered necessary to represent shareholders and fulfill the business objectives of the Company.

In FY23, the Board consisted of a majority of independent directors. The Chairman is independent and the Board comprises directors who each have extensive technical, financial and commercial expertise. As the Company has transitioned from an explorer to producer, the Board has selected and appointed suitable independent Non-Executive Director candidates to complement the existing competencies of the Board to drive performance, create shareholder value and lead ethically by example.

5.4 Board recommendation

The Board has reviewed Mr Clements' performance since he was last re-elected and considers that Mr Clements' skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the election of Mr Clements and recommends that Shareholders vote in favour of Resolution 4.

6. RESOLUTION 5 – ISSUE OF INCENTIVE OPTIONS TO DIRECTOR – MICHAEL EVANS

6.1 General

The Company has agreed, subject to obtaining Shareholder approval to issue 500,000 Options to Mr Evans (or his nominee) pursuant to the Company's existing Incentive Option Plan, which was last approved by shareholders on 25 November 2020 (**Incentive Option Plan**) and on the terms and conditions set out below (**Incentive Options**).

The Company's key strategic objective at the start of FY23 was to meet or exceed the Definitive Feasibility Study estimates of the Okvau Gold mine targeting operating performance with a focus on safety, environment, sustainability and community. The operating guidance for FY23 of an AISC forecast of US\$740 –US\$810 with gold production at 25-30koz per quarter was achieved thanks to the significant efforts of our experienced executive and management team led by Managing Director, Morgan Hart and Executive Director, Michael Evans.

Given the Company's size and evolving transition from explorer to producer, the Remuneration Committee utilised the Company's existing Incentive Option Plan (to be replaced by the 2023 Company Securities Incentive Plan) to provide long-term equity incentives and short-term cash incentives tied to performance against relevant targets, for the key management personnel and senior management to drive alignment of the Company's Critical and Strategic Pillars.

In the prior financial year, the Remuneration Committee, in conjunction with independent remuneration consultants, The Reward Practice, reviewed the Company's long-term Incentive Option Plan and considered it appropriate for the Company given its Remuneration philosophy. This was assessed by the Remuneration Committee in FY23 and found to be fit for purpose.

The quantum of options awarded to Mr Evans has been determined with consideration of the remuneration mix benchmarked at the 50th percentile as approved by the Remuneration Committee and Board in conjunction with reference to external peer remuneration analysis.

The exercise price of the options is determined on the basis of a 120% premium to the volume weighted average price (**VWAP**) in the preceding 30 days prior to the date of grant (12 September 2023). The granted LTI options vest after 36 months subject to continued employment hurdles and expire five years from the time of the original option grant. The Remuneration Committee and Board considers the vesting hurdle appropriate and reasonable for the Company's stage of growth and is consistent with the Company's timeframe of becoming a multi-project resource producer and employer of choice in accordance with the Company's Remuneration philosophy.

The premium priced options granted require significant share price growth and employee retention for the LTI awards to result in tangible benefits to Mr Evans. There are no re-

testing provisions under the long-term incentive structure and there are no adjustments to exercise prices, vesting conditions or term of the premium priced options once granted. Equity awards do not automatically vest in the event of a change of control. On the resignation of the Executive Directors, Key Management Personnel or staff, any unvested options will automatically lapse upon cessation of the option holder's employment (unless the Board resolves otherwise) and any vested options will lapse if not exercised within 1 month of the cessation of employment.

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 Options to Mr Evans (or his nominee) constitutes giving a financial benefit and Mr Evans is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Evans) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Incentive Options, because the agreement to issue the Incentive Options, reached as part of the remuneration package for Mr Evans, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

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 Options to Mr Evans falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolution 5 seeks the required Shareholder approval for the issue of the Incentive Options under and for the purposes of Listing Rule 10.14.

6.4 Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Incentive Options to Mr Evans under the Incentive Option 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 Options (because approval is being obtained under Listing Rule 10.14), the issue of the Incentive Options will not use up any of the Company's 15% annual placement capacity.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the Incentive Options to Mr Evans under the Incentive Option Plan and the Company will need to consider alternative remuneration options for Mr Evans.

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 5.

- (a) the Incentive Options will be issued to Mr Evans (or his nominee), who falls within the category set out in Listing Rule 10.14.1 by virtue of being a Director;
- (b) the maximum number of Incentive Options to be issued is 500,000;
- (c) the current annual fixed remuneration for Mr Evans is \$663,000 (effective 1 July 2023) comprising of directors' fees/salary of \$635,592, a superannuation payment of \$27,408. In addition Mr Evans received share-based payments of \$199,446. If the Incentive Options in Resolution 5 are issued, the total fixed remuneration package of Mr Evans will increase, as detailed in paragraph (g) below;
- (d) Mr Evans has previously been issued:
 - (i) 500,000 unlisted options exercisable at \$1.37 on or before 17 October 2025 under the Incentive Option Plan, approved by shareholders on 24 November 2022;
 - (ii) 500,000 unlisted options exercisable at \$1.09 on or before 29 July 2026 under the Incentive Option Plan, approved by shareholders on 25 November 2021;
 - (iii) 1,000,000 unlisted options exercisable at \$0.67 on or before 30 July 2025 under the Incentive Option Plan, approved by shareholders on 25 November 2020; and
 - (iv) 500,000 unlisted options exercisable at \$0.434 (on a post-consolidation basis), expiring 5 June 2023 under the Company's previous incentive option plan approved by shareholders on 23 November 2017, which have all been exercised;
- (e) a summary of the material terms and conditions of the Incentive Options is set out in Schedule 1;
- (f) the Incentive Options are unquoted Options. The Company has chosen to issue Incentive Options to Mr Evans for the following reasons:
 - (i) the Incentive Options are unquoted, therefore, the issue of the Incentive Options has no immediate dilutionary impact on Shareholders;
 - (ii) the issue of Incentive Options to Mr Evans will align the interests of Mr Evans with those of Shareholders;
 - (iii) the issue of the Incentive Options 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 Evans;
 - (iv) because of the deferred taxation benefit which is available to Mr Evans in respect of an issue of Options. This is also beneficial to the Company as it means Mr Evans is not required to immediately sell the Incentive Options to fund a tax liability (as would be the case in an issue of Shares

where the tax liability arises upon issue of the Shares) and will instead, continue to hold an interest in the Company; and

- (v) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Options on the terms proposed;
- (g) the Company values the Incentive Options at \$788,650 (being \$1.5773 per Incentive Option) based on the Black-Scholes methodology as at the date of this Notice. The basis for the value attributed to the Incentive Options is set out in Schedule 3;
- (h) if Resolution 5 is approved the Incentive Options will be issued to Mr Evans (or his 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 Options will be issued on one date;
- (i) the issue price of the Incentive Options will be nil, as such no funds will be raised from the issue of the Incentive Options (other than in respect of funds received on exercise of the Incentive Options);
- (j) a summary of the material terms and conditions of the Incentive Plan is set out in Schedule 2;
- (k) no loan is being made to Mr Evans in connection with the acquisition of the Incentive Options;
- (l) details of any Options issued under the Incentive Option 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;
- (m) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Options under the Incentive Option Plan after Resolution 5 is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14; and
- (n) a voting exclusion statement is included in Resolution 5 of the Notice.

7. RESOLUTION 6 – ADOPTION OF COMPANY SECURITIES INCENTIVE PLAN

7.1 General

Resolution 6 seeks Shareholder approval for the adoption of a Company incentive scheme titled “Company Securities Incentive Plan” (**2023 Company Securities Incentive Plan**) for the issue of up to a maximum of 31,071,803 securities, excluding issues approved by Shareholders under Listing Rule 10.14 or Listing Rule 10.11, under the 2023 Company Securities Incentive Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The 2023 Company Securities Incentive Plan replaces the plan previously adopted at the Company’s Annual General Meeting on 25 November 2020 (defined above as **Incentive Option Plan**).

The objective of the 2023 Company Securities Incentive Plan is to attract, motivate and retain key employees and contractors and the Company considers that the adoption of the 2023 Company Securities Incentive Plan and the future issue of Securities under the 2023 Company Securities Incentive Plan will provide selected employees and contractors with the opportunity to participate in the future growth of the Company.

7.2 Listing Rule 7.1 and Listing Rule 7.2 Exception 13(b)

Broadly speaking, and subject to a number of exceptions set out in Listing Rule 7.2, Listing Rule 7.1 limits the amount of equity Securities that a listed company can issue without the

approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

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

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

If Resolution 6 is passed, the Company will be able to issue the Securities under the 2023 Company Securities Incentive Plan to eligible participants over a period of 3 years. The issue of any Securities to eligible participants under the 2023 Company Securities Incentive Plan (up to the maximum number of Securities stated in Section 7.4(c) below) will be excluded from the calculation of the number of equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of Securities under the 2023 Company Securities Incentive Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained.

If Resolution 6 is not passed, the Company will be able to proceed with the issue of Securities under the 2023 Company Securities Incentive Plan to eligible participants, but any issues of Securities will reduce, to that extent, the Company's capacity to issue equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the Securities.

7.3 Remuneration structure, policy and strategy

The Company has outlined its remuneration structure, policy and strategy in the Remuneration Report contained within the Annual Report for the year ended 30 June 2023. Emerald's strategy in FY23 was to establish itself as a resource producer from the Company's 100% owned Okvau Gold Project in Cambodia targeting safety, environment, sustainability and community. The Board has sought to ensure that the remuneration structure, policy and strategy for the Executive team and employees are aligned with shareholder expectations and reflect the Company's strategy.

As Emerald looks to the future, we aim to continue to grow and mature towards becoming a multi-project gold producer and employer of choice. In order to attract and retain the competent people for the right roles, the Board has sought to ensure that the remuneration strategy for the Executive team and broader staff base is progressive and consistent with the Company objectives and motivates them to grow the Company's long-term shareholder value. The Company's remuneration principles are set to align with business needs and market practice and implement a clear and consistent remuneration approach for the Company that could grow as development activities increased.

Given the Company's current size and phase of growth, the Remuneration Committee has focussed upon utilising the Company's existing Incentive Option Plan approved by shareholders on 25 November 2020 to provide long-term incentives (**LTI**) for the KMP and senior management to drive alignment of the Company's key objective to enhance shareholder value.

LTI awards to the Executive Director, KMP and key staff are delivered in the form of premium priced share options to align recipient's long-term interests with shareholders as there exists a direct correlation between shareholder wealth and remuneration outcomes. On a regular basis, the Managing Director and Executive Director recommend to the Remuneration Committee an appropriate level of remuneration incentive for each

executive and KMP, relative to their involvement in the management of the consolidated entity. If satisfied the Remuneration Committee and Board then approves the recommendation and a tranche of premium priced share options is offered to recipients. In the case a quantum of option awards is proposed for the Executive Director, the equivalent terms are offered, with the additional requirement of shareholder approval and the Executive Director excuses himself from the decision making and approval process. The Managing Director has not historically participated in the Incentive Option Plan.

The exercise price of the options is determined on the basis of a 120% premium to the volume weighted average price (VWAP) in the preceding 30 days prior to the date of grant. The granted LTI options vest after 36 months subject to continued employment hurdles and expire five years from the time of the original option grant. The Remuneration Committee and Board considers the vesting hurdles appropriate and reasonable for the Company's stage of growth and is consistent with the Company's timeframe of becoming a multi-project resource producer and employer of choice.

The quantum of options on issue under the Company's existing Incentive Option Plan and the Company's previous incentive option plan approved by shareholders on 23 November 2017 is approximately 2.9% of the total issued capital of the Company. The Board works to an internal threshold of no more than 3% of the total issued capital of the Company.

There are no re-testing provisions under the long-term incentive structure and there are no adjustments to exercise prices, vesting conditions or term of the premium priced options once granted. Under the 2023 Company Securities Incentive Plan, equity awards will automatically vest in the event of a change of control, unless the Board determines in its discretion otherwise. On the resignation of the Executive Directors, Key Management Personnel or staff, any unvested options will automatically lapse upon cessation of the option holder's employment (unless the Board resolves otherwise) and any vested options will lapse if not exercised within 1 month of the cessation of employment.

The Executive Directors and KMP are encouraged by the Board to hold shares in the Group to provide an incentive for participants to partake in the future growth of the Group and, to participate in the Group's profits and dividends that may be realised in future years.

The Company is entering an important phase and we believe that the remuneration framework is currently appropriate and fit-for-purpose based on the Company's development and growth profile and to drive and deliver the outcomes desired by all shareholders. As the Company becomes established in the ASX 300 the Remuneration Committee will continue to review the framework to consider the implementation of more comprehensive long term incentive measures based upon an appropriate remuneration mix and financial and non-financial metrics tied to a suitable peer group.

Further details of the remuneration structure, policy and strategy in the Remuneration Report contained within the Annual Report for the year ended 30 June 2023.

7.4 Technical information required by Listing Rule 7.2 (Exception 13)

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 6:

- (a) a summary of the key terms and conditions of the 2023 Company Securities Incentive Plan is set out in Schedule 4;
- (b) No securities have been issued under the 2023 Company Securities Incentive Plan;
- (c) the maximum number of Securities proposed to be issued under the 2023 Company Securities Incentive Plan, following Shareholder approval, is 31,071,803 securities, being 5% of the total number of Shares on issue at the date of this Notice (noting that the Options proposed to be issued under Resolution 6 will be issued under the existing Incentive Option Plan and will not be counted in this figure);

- (d) The Company is seeking Shareholder approval to adopt the 2023 Company Securities Incentive Plan to include the new terms and conditions required by Division 1A of Part 7.12 of the Corporations Act, which replaced the previous relief provided by ASIC Class Order 14/1000; and
- (e) a voting exclusion statement is included in Resolution 6 of this Notice.

GLOSSARY

\$ means Australian dollars.

2023 Company Securities Incentive Plan has the meaning given in Section 7.1.

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

ASIC means the Australian Securities & Investments Commission.

Associated Body Corporate means

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

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) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Emerald Resources NL (ACN 009 795 046).

Constitution means the Company's constitution.

Convertible Security means a security exercisable for Share(s), including an Option or Performance Right.

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

Directors means the current directors of the Company.

Eligible Participant means a person that is:

- (a) a 'primary participant' (as that term is defined in the ESS Regime) in relation to the Company or an Associated Body Corporate; and
- (b) has been determined by the Board to be eligible to participate in the 2023 Company Securities Incentive Plan from time to time.

ESS Regime means Division 1A of Part 7.12 of the Corporations Act which came into effect on 1 October 2022.

Explanatory Statement means the explanatory statement accompanying the Notice.

Group means the Company and each of its Associated Bodies Corporate from time to time.

Incentive Options has the meaning given in Section 6.1.

Incentive Option Plan means the 'Incentive Option Plan' previously adopted at the Company's annual general meeting on 25 November 2020, as set out in Sections 6.1 and 7.1.

Key Management Personnel or **KMP** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

LTI means long term incentives.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the five (5) trading days immediately preceding that given date, unless otherwise specified in an invitation.

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Participant means an Eligible Participant who has been granted any security in the capital of the Company under the 2023 Company Securities Incentive Plan or 2017 Incentive Option Plan approved by shareholders on 23 November 2017.

Performance Right means a right to acquire one or more Shares.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's Report section of the Company's Annual Report for the year ended 30 June 2023.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Spill Resolution has the meaning given in Section 2.2.

Spill Meeting has the meaning given in Section 2.2.

VWAP means volume weighted average price.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF INCENTIVE OPTIONS

1. Definitions:
 - (a) **ASX Listing Rules** means the official listing rules of ASX Limited;
 - (b) **Company** means Emerald Resources NL (ACN 009 795 046).
 - (c) **Corporations Act** means Corporations Act 2001 (Cth) of Australia.
 - (d) **Exercise Price** means the amount payable on the exercise of each Incentive Option, being \$2.84.
 - (e) **Expiry Date** means 5.00pm (Perth time) on 12 September 2028.
 - (f) **Exercise Notice** means the form prescribed by the Company from time to time for the purpose of exercising Incentive Options.
 - (g) **Incentive Option** means an option to subscribe for a Share at the Exercise Price prior to the Expiry Date in the manner set out in these Terms and Conditions.
 - (h) **Incentive Option Holder** means the person or persons registered as the holder of one or more Incentive Options from time to time.
 - (i) **Share** means a fully paid ordinary voting share in the capital of the Company.
2. The Incentive Options will vest subject to the Incentive Option Holder remaining as a full time employee as at the vesting dates below:

Number of Incentive Options	Vesting Date
500,000	12 September 2026

3. Each Incentive Option carries the right to subscribe for one Share.
4. Each Incentive Option is unlisted and is not transferable.
5. Upon vesting, and subject to any restrictions imposed by ASX on the exercise of Incentive Options, Incentive Options may be exercised by the Incentive Option Holder by delivering to the Company's registered office or the Company's share registry an Exercise Notice at any time prior to the Expiry Date.
6. The cashless exercise facility entitles a participant (subject to board approval) to elect not to pay the Incentive Option exercise price against the number of Shares which the participant is entitled to receive upon exercise of the participant's Incentive Options but instead be allotted that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise the Incentive Options (with the number of Shares rounded down to the nearest whole Share).
7. Each Exercise Notice must state the number of Incentive Options to be exercised and be accompanied by the relevant holding statement(s), if any, and payment (in Australian currency) to the Company of an amount (the Application Monies) being the result of the Exercise Price multiplied by the number of Incentive Options being exercised.
8. Following receipt of a properly executed Exercise Notice and Application Monies in respect of the exercise of any Incentive Options, the Company will issue the resultant Shares and deliver notification of shareholdings.

9. Subject to any restrictions imposed by ASX, the Company will make application to have the Shares (issued pursuant to an exercise of Incentive Options) listed for quotation by ASX within 7 days of the date of issue.
10. Subject to any restrictions imposed by ASX, Shares issued pursuant to an exercise of Incentive Options shall rank, from the date of issue, pari passu with existing Shares in all respects.
11. Incentive Options carry no right to participate in pro rata issues of Securities to shareholders unless the Incentive Options are exercised before the record date for determining entitlements to the relevant pro rata issue.
12. Each Incentive Option Holder will be notified by the Company of any proposed pro rata issue of Securities to shareholders in accordance with ASX Listing Rules.
13. In the event of a reorganisation (including reconstruction, consolidation, subdivision, reduction, or return) of the capital of the Company, the terms of the Incentive Options will be changed to the extent necessary to comply with the requirements of the Corporations Act and ASX Listing Rules (in force at the time of the reorganisation).
14. Except as noted in paragraph 13 above, an Incentive Option does not confer the right to a change in exercise price or a change in the number of underlying Securities over which the Incentive Option can be exercised.
15. Any unvested options will automatically lapse upon cessation of the Incentive Option Holder's employment (unless the Board determines otherwise) and any vested options will lapse if not exercised within 1 month of the cessation of employment.

Subdivision 83A-C of the Income Tax Assessment Act 1997 applies to the Scheme/Offer unless the Offer provides otherwise.

SCHEDULE 2 – SUMMARY OF KEY TERMS OF INCENTIVE OPTION PLAN

The material terms of the incentive option plan approved by shareholders on 25 November 2020 (**Incentive Option Plan**) are summarised below:

- (a) **Eligibility:** Participants in the Incentive Option Plan may be:
- (i) a Director (whether executive or non-executive) of the Company and any Associated Body Corporate of the Company (each, a **Group Company**);
 - (ii) a full or part time employee of any Group Company;
 - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**); or
 - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,
- who is declared by the Board to be eligible to receive grants of Options under the Incentive Option Plan (**Eligible Participant**).
- (b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant to apply for up to a specified number of Options, upon the terms set out in the Incentive Option Plan and upon such additional terms and conditions as the Board determines.
- (c) **Plan limit:** The Company must have reasonable grounds to believe, when making an offer in reliance on the Class Order, that the number of Shares to be received on exercise of Options offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- (d) **Issue price:** Unless the Options are quoted on the ASX, Options issued under the Incentive Option Plan will be issued for no more than nominal cash consideration.
- (e) **Exercise price:** The Board may determine the exercise price (if any) for an Option offered under an offer under the Incentive Option Plan in its absolute discretion. To the extent the Listing Rules specify or require a minimum price, the Option exercise price must not be less than any minimum price specified in the Listing Rules.
- (f) **Cashless Exercise:** The cashless exercise facility entitles a Participant (subject to board approval) to elect not to pay the Option exercise price against the number of Shares which the participant is entitled to receive upon exercise of the Participant's Options but instead be allotted a fraction of a Share calculated as the difference between the market value of the shares on exercise date and the Option exercise price, divided by the market value of the shares, multiplied by the number of Options exercised (rounded up to the next full number of Shares).
- (g) **Vesting conditions:** An Option may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Option (**Vesting Conditions**).
- (h) **Vesting:** The Board may in its absolute discretion by written notice to a Participant (being an Eligible Participant to whom Options have been granted under the Incentive Option Plan or their nominee where the Options have been granted to the nominee of the Eligible Participant (**Relevant Person**), resolve to waive any of the Vesting Conditions applying to Options due to:

- (i) special circumstances arising in relation to a Relevant Person in respect of those Options, being:
 - (A) a Relevant Person ceasing to be an Eligible Participant due to:
 - (I) death or total or permanent disability of a Relevant Person; or
 - (II) retirement or redundancy of a Relevant Person;
 - (B) a Relevant Person suffering severe financial hardship;
 - (C) any other circumstance stated to constitute "special circumstances" in the terms of the relevant offer made to and accepted by the Participant; or
 - (D) any other circumstances determined by the Board at any time (whether before or after the offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant (**Special Circumstances**); or
 - (i) a change of control occurring; or
 - (ii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
- (i) **Lapse of an Option:** An Option will lapse upon the earlier to occur of:
 - (i) an unauthorised dealing in, or hedging of, the Option occurring;
 - (ii) a Vesting Condition in relation to the Option is not satisfied by its due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the Vesting Conditions and vest the Option in the circumstances set out in paragraph (h) or the Board resolves, in its absolute discretion, to allow the unvested Options to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iii) in respect of unvested Option only, a Relevant Person ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Option in the circumstances set out in paragraph (I) or the Board resolves, in its absolute discretion, to allow the unvested Options to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iv) in respect of vested Options only, a Relevant Person ceases to be an Eligible Participant and the Options granted in respect of that Relevant Person are not exercised within one (1) month (or such later date as the Board determines) of the date that Relevant Person ceases to be an Eligible Participant;
 - (v) the Board deems that an Option lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
 - (vi) the Company undergoes a change of control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Option; and
 - (vii) the expiry date of the Option.
- (j) **Not transferrable:** Subject to the Listing Rules, Options are only transferrable in Special Circumstances with the prior written consent of the Board (which may be withheld in

its absolute discretion) or by force of law upon death, to the Participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.

- (k) **Shares: Shares** resulting from the exercise of the Options shall, subject to any sale restrictions (refer to paragraph (I)), from the date of issue, rank on equal terms with all other Shares on issue.
- (l) **Sale restrictions:** The Board may, in its discretion, determine at any time up until exercise of Options, that a restriction period will apply to some or all of the Shares issued to a Participant on exercise of those Options (**Restriction Period**). In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such Restriction Period.
- (m) **Quotation of Shares:** If Shares of the same class as those issued upon exercise of Options issued under the Amended Plan are quoted on the ASX, the Company will, subject to the Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any Restriction Period applying to the disposal of Shares ends. The Company will not apply for quotation of any Options on the ASX.
- (n) **No participation rights:** There are no participation rights or entitlements inherent in the Options and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (o) **Change in exercise price or number of underlying securities:** An Option does not confer the right to a change in exercise price or in the number of underlying Shares over which the Option can be exercised.
- (p) **Reorganisation :** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), the terms of the Options will be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation.
- (q) **Amendments :** Subject to express restrictions set out in the Incentive Option Plan and complying with the Corporations Act, Listing Rules and any other applicable law, the Board may, at any time, by resolution amend or add to all or any of the provisions of the Incentive Option Plan, or the terms or conditions of any Option granted under the Incentive Option Plan including giving any amendment retrospective effect.

SCHEDULE 3 – VALUATION OF INCENTIVE OPTIONS

The Incentive Options to be issued to the Mr Evans pursuant to Resolution 5 and have been valued by internal management.

Assumptions:	
Valuation date	13 October 2023
Market price of Shares	\$2.50
Exercise price	\$2.84
Expiry date (length of time from issue)	12 September 2028
Risk free interest rate	4.79%
Volatility (discount)	80.0%
Indicative value per Incentive Option	\$1.5773
Total Value of Incentive Options to be issued to Mr Evans	\$788,650

SCHEDULE 4 – SUMMARY OF TERMS OF THE 2023 COMPANY SECURITIES INCENTIVE PLAN

A summary of the material terms of the 2023 Company Securities Incentive Plan (**Plan**) is set out below.

Eligible Participant	Eligible Participant 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 (as defined in the Corporations Act) and has been determined by the Board to be eligible to participate in the Plan from time to time.
Purpose	The purpose of the Plan is to: <ul style="list-style-type: none"> (a) assist in the reward, retention and motivation of Eligible Participants; (b) link the reward of Eligible Participants to Shareholder value creation; and (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of a security in the capital of the Company granted under the Plan, including a Share, Option, Performance Right or other Convertible Security (Securities).
Maximum number of Convertible Securities	The Company will not make an invitation under the Plan which involves monetary consideration if the number of Shares that may be issued, or acquired upon exercise of Convertible Securities offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan during the 3 year period ending on the day of the invitation, will exceed 5% of the total number of issued Shares at the date of the invitation (unless the Constitution specifies a different percentage and subject to any limits approved by Shareholders under Listing Rule 7.2 Exception 13(b)).
Plan administration	The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion (except to the extent that it prevents the Participant relying on the deferred tax concessions under Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth)). The Board may delegate its powers and discretion.
Eligibility, invitation and application	<p>The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for any (or any combination of) the Securities provided under the Plan on such terms and conditions as the Board decides.</p> <p>On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.</p> <p>If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.</p>
Grant of Securities	The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number and type of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
Rights attaching to Convertible Securities	A Convertible Security represents a right to acquire one or more Plan Shares in accordance with the Plan (for example, an Option or a Performance Right).

	<p>Prior to a Convertible Security being exercised, the holder:</p> <ul style="list-style-type: none"> (a) does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security other than as expressly set out in the Plan; (b) is not entitled to receive notice of, vote at or attend a meeting of the shareholders of the Company; (c) is not entitled to receive any dividends declared by the Company; and (d) is not entitled to participate in any new issue of Shares (see Adjustment of Convertible Securities section below).
<p>Restrictions on dealing with Convertible Securities</p>	<p>Convertible Securities issued under the Plan cannot be sold, assigned, transferred, have a security interest granted over or otherwise dealt with unless in Special Circumstances as defined under the Plan (including in the case of death or total or permanent disability of the holder) with the consent of the Board in which case the Convertible Securities may be exercisable on terms determined by the Board.</p> <p>A holder must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.</p>
<p>Vesting of Convertible Securities</p>	<p>Any vesting conditions applicable to the Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that security will lapse.</p>
<p>Forfeiture of Convertible Securities</p>	<p>Convertible Securities will be forfeited in the following circumstances:</p> <ul style="list-style-type: none"> (a) in the case of unvested Convertible Securities only, where the holder ceases to be an Eligible Participant (e.g. is no longer employed or their office or engagement is discontinued with the Company and any Associated Bodies Corporate (as defined in the Corporations Act) (the Group); (b) in the case of unvested Convertible Securities only, where a Participant acts fraudulently, dishonestly, negligently, in contravention of any Group policy or wilfully breaches their duties to the Group; (c) where there is a failure to satisfy the vesting conditions in accordance with the Plan; (d) on the date the Participant becomes insolvent; or (e) on the Expiry Date, <p>subject to the discretion of the Board.</p>
<p>Listing of Convertible Securities</p>	<p>Convertible Securities granted under the Plan will not be quoted on the ASX or any other recognised exchange. The Board reserves the right in its absolute discretion to apply for quotation of Convertible Securities granted under the Plan on the ASX or any other recognised exchange.</p>
<p>Exercise of Convertible Securities and cashless exercise</p>	<p>To exercise a security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise (see next paragraph below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Securities (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.</p>

	<p>An invitation to apply for Convertible Securities may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.</p> <p>Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.</p> <p>Convertible Securities may not be exercised unless and until that security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.</p>
<p>Timing of issue of Shares and quotation of Shares on exercise</p>	<p>Within five business days after the issue of a valid notice of exercise by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.</p>
<p>Restriction periods and restrictions on transfer of Shares on exercise</p>	<p>If the invitation provides that any Shares issued upon the valid exercise of a Convertible Security are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.</p> <p>Additionally, Shares issued on exercise of the Convertible Securities are subject to the following restrictions:</p> <ul style="list-style-type: none"> (a) if the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Convertible Securities may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act; (b) all Shares issued on exercise of the Convertible Securities are subject to restrictions imposed by applicable law on dealing in Shares by persons who possess material information likely to affect the value of the Shares and which is not generally available; and (c) all Shares issued on exercise of the Convertible Securities are subject to the terms of the Company's Securities Trading Policy.
<p>Rights attaching to Shares on exercise</p>	<p>All Shares issued upon exercise of Convertible Securities will rank equally in all respects with the then Shares of the Company.</p>
<p>Change of control</p>	<p>If a change of control event occurs (being an event which results in any person (either alone or together with associates) owning more than 50% of the Company's issued capital), unvested Convertible Securities will vest unless the Board determines in its discretion otherwise. The Board's discretion in determining the treatment of any unvested Convertible Securities on a change of control event is limited to taking into account the vesting period that has elapsed at the time of the change of control or varying any vesting conditions in respect to the Convertible Securities and does not include a discretion to lapse or forfeit unvested Convertible Securities for less than fair value.</p>
<p>Participation in entitlements and bonus issues</p>	<p>Subject always to the rights under the following two paragraphs, Participants will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.</p>

Adjustment for bonus issue	If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the Participant is entitled, upon exercise of the Convertible Securities, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.
Reorganisation	If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the ASX Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.
Buy-Back	Subject to applicable law, the Company may at any time buy-back Securities in accordance with the terms of the Plan.
Company Share Trust	The Board may in its sole and absolute discretion use a Company share trust or other mechanism for the purposes of holding Convertible Securities for holders under the Plan and delivering Shares on behalf of holders upon exercise of Convertible Securities.
Amendment of Plan	<p>Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.</p> <p>No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.</p>
Plan duration	<p>The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.</p> <p>If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.</p>
Income Tax Assessment Act	The Plan is a plan to which Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth) applies (subject to the conditions in that Act) except to the extent an invitation provides otherwise.
Withholding	Notwithstanding any other provision of the Plan, and without limiting the amounts which may be deducted or withheld under the applicable legislation, if a member of the Group, a trustee or the Plan administrator is obliged, or reasonably believes that it may have an obligation to account for any tax, or any superannuation amounts (or equivalent social security contributions, if applicable) in respect of a Participant (Withholding Amount), then that Group company, trustee or Plan administrator (as applicable) is entitled to withhold or be reimbursed by the Participant for the Withholding Amount payable or paid.

Your proxy voting instruction must be received by **11.00am (AWST) on Monday, 27 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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