



**Talga Group Ltd  
ACN 138 405 419**

## **Notice of Annual General Meeting**

**The Annual General Meeting of the Company will be held as follows:**

**Time and date: 2.00pm (AWST) on Thursday, 30 November 2023**

**Location: Wattle Room, Westin Hotel, Level 2, 480 Hay Street Perth,  
Western Australia**

The Notice of Annual General Meeting should be read in its entirety.

If Shareholders are in doubt as to how to vote, they should seek advice from their suitably qualified professional advisor prior to voting.

**Should you wish to discuss any matter, please do not hesitate to contact the  
Company on (08) 9481 6667.**

**Shareholders are urged to vote by lodging the Proxy Form**

**Talga Group Ltd**  
**ACN 138 405 419**  
**(Company)**

## **Notice of Annual General Meeting**

Notice is hereby given that the annual general meeting of Shareholders of Talga Group Ltd (**Company**) will be held at Wattle Room, Westin Hotel, Level 2, 480 Hay Street Perth, Western Australia, on Thursday, 30 November 2023 at 2.00pm (AWST) (**Meeting**).

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 5.00pm (AWST) on Tuesday, 28 November 2023.

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form, form part of the Notice. Terms and abbreviations used in the Notice are defined in the Schedule.

### **Agenda**

#### **1 Annual Report**

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2023, which includes the Financial Report, the Directors' Report and the Auditor's Report.

**Note:** there is no requirement for Shareholders to approve the Annual Report.

#### **2 Resolutions**

##### **Resolution 1 – Remuneration Report**

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

*'That, the Remuneration Report be adopted by Shareholders, on the terms and conditions in the Explanatory Memorandum.'*

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

##### **Resolution 2 – Re-election of Director – Terry Stinson**

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

*'That, Terry Stinson, who retires in accordance with Article 7.4(b) of the Constitution, Listing Rule 14.4 and for all other purposes, retires and, being eligible and offering himself for re-*

*election, is re-elected as a Director, on the terms and conditions in the Explanatory Memorandum.'*

### **Resolution 3 – Approval of appointment of auditor**

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

*'That, for the purposes of section 327B(1)(b) of the Corporations Act and for all other purposes, Ernst and Young, having consented in writing to act as auditor of the Company, is appointed as auditor of the Company with effect from the Effective Date.'*

### **Resolution 4 – Approval to amend terms and conditions of existing Options & Performance Rights**

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

*'That, for the purposes of Listing Rules 6.23.3 and 6.23.4, sections 195(4) and 208 of the Corporations Act and for all other purposes, Shareholders approve the variation to the terms and conditions of 7,000,000 Options and 2,100,000 Performance Rights currently on issue in the Company, on the terms and conditions in the Explanatory Memorandum.'*

### **Resolution 5 – Approval of increase of Non-Executive Directors' Remuneration Fee Pool**

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

*'That, pursuant to and in accordance with Article 7.6(a) of the Constitution, Listing Rule 10.17 and for all other purposes, Shareholders approve an increase of the maximum total aggregate amount of fees payable to non-executive Directors to \$750,000 per annum, on the terms and conditions in the Explanatory Memorandum.'*

## **3 Voting exclusions**

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

**Resolution 4:** by or on behalf of Mark Thompson, Martin Phillips, Melissa Roberts, Ola Rinnan, Grant Mooney, Terry Stinson and Stephen Lowe, or any of their respective associates, or their nominees.

**Resolution 5:** by or on behalf of a Director, or any of their respective associates.

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

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

- (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.

#### 4 **Voting prohibitions**

**Resolution 1:** In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person 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 does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

**Resolution 4 and Resolution 5:** In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment, on these Resolutions if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such 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 these Resolutions are connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Further, in accordance with section 224 of the Corporations Act, a vote on **Resolution 4** must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the

Resolutions would permit a financial benefit to be given, or an associate of such a related party.

However, the above prohibition does not apply if:

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

**Please note:** If the Chair is a person referred to in the section 224 Corporations Act voting prohibition statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the relevant Resolution.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

**BY ORDER OF THE BOARD**



**Dean Scarparolo**

Company Secretary

Talga Group Ltd

Dated: 26 October 2023

**Talga Group Ltd**  
**ACN 138 405 419**  
**(Company)**

## **Explanatory Memorandum**

### **1. Introduction**

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Wattle Room, Westin Hotel, Level 2, 480 Hay Street Perth, Western Australia, on Thursday, 30 November 2023 at 2.00pm (AWST) (**Meeting**).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted. The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Voting and attendance information
Section 3	Annual Report
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 – Re-election of Director – Terry Stinson
Section 6	Resolution 3 – Approval of appointment of auditor
Section 7	Resolution 4 – Approval to amend terms and conditions of existing Options & Performance Rights
Section 8	Resolution 5 – Approval of increase of Non-Executive Directors' Remuneration Fee Pool
Schedule 1	Definitions
Schedule 2	Notice of nomination of auditor
Schedule 3	New terms and conditions for Class A Options
Schedule 4	New terms and conditions for Class B Options
Schedule 5	New terms and conditions for Performance Rights

A Proxy Form is located at the end of the Explanatory Memorandum.

### **2. Voting and attendance information**

Shareholders should read this Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

Voting on all proposed Resolutions at the Meeting will be conducted by poll. On a poll, each Shareholder has one vote for every fully paid ordinary Share held in the Company.

## 2.1 Voting in person

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

## 2.2 Voting by a corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

## 2.3 Voting by proxy

A Proxy Form has been made available with the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are encouraged to vote by completing and submitting the Proxy Form to the Company in accordance with the instructions thereon. Submission of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company 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, but where the proportion or number is not specified, each proxy may exercise half of the votes.

### **The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.**

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

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

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

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (b) the appointed proxy is not the chair of the meeting;

- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

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

Your proxy voting instruction must be received by 2.00pm (AWST) on Tuesday, 28 November 2023, being not later than 48 hours before the commencement of the Meeting.

## **2.4 Chair's voting intentions**

If the Chair is your proxy, either by appointment or by default, and you have not indicated your voting intention, you expressly authorise the Chair to exercise the proxy in respect of Resolution 1 and Resolution 4, even though these Resolutions are connected directly or indirectly with the remuneration of the Company's Key Management Personnel.

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

If the Chair is a person referred to in the voting prohibition statement applicable to a Resolution (under section 224 of the Corporations Act), the Chair will only be able to cast a vote as proxy for you on the relevant Resolution if you are entitled to vote and have specified your voting intention in the Proxy Form.

## **2.5 Submitting questions**

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at [info@talgroup.com](mailto:info@talgroup.com) by 2.00pm (AWST) on 28 November 2023.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

## **3. Annual Report**

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2023.

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

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

- (a) discuss the Annual Report which is available online at <https://www.talgroup.com/investors/>;
- (b) ask questions about, or comment on, the management of the Company; and



- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

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

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

The Company will not provide a hard copy of the Company's Annual Report to Shareholders unless specifically requested to do so.

## **4. Resolution 1 – Remuneration Report**

### **4.1 General**

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report for the year ended 30 June 2023 in the 2023 Annual Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for specified executives and non-executive Directors.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the Managing Director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2022 annual general meeting. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2024 annual general meeting, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about or make comments on the Remuneration Report.

## **4.2 Additional information**

Resolution 1 is an ordinary Resolution.

Given the personal interests of all Directors in the outcome of this Resolution, the Board declines to make a recommendation to Shareholders regarding this Resolution.

## **5. Resolution 2 – Re-election of Director – Terry Stinson**

### **5.1 General**

Article 7.4(b) and Listing Rule 14.4 both provide that a Director (excluding the Managing Director) must not hold office without re-election past the third annual general meeting or three years following that Director's last election or appointment.

Article 7.4(f) of the Constitution provides that a Director who retires in accordance with Article 7.4(b) holds office until the conclusion of the Meeting but is eligible for re-election.

Non-Executive Director and Chair, Terry Stinson, was last re-elected as a Director at the Company's 2020 annual general meeting. Accordingly, Mr Stinson retires by rotation at this Meeting and, being eligible, seeks re-election pursuant to Resolution 2.

If Resolution 2 is passed, Mr Stinson will be re-elected as a Director of the Company with effect from the conclusion of the Meeting.

If Resolution 2 is not passed, Mr Stinson will not be re-elected as a Director of the Company.

### **5.2 Terry Stinson**

Mr Stinson has over 35 years' Executive and Non-Executive Director experience, working for global innovation companies across a range of industry segments, along with a proven track record of forming and leading international business collaborations and joint ventures.

Formerly the CEO (12 April 2017 to 18 November 2019) and Managing Director (20 May 2008 to 12 April 2017) of Orbital Corporation, VP for Global Fuel Systems at Siemens AG, CEO and Managing Director of Synerject and VP of Manufacturing Outboard Marine Corporation, Mr Stinson is currently the Non-Executive Chair of wave energy technology developer, Carnegie Clean Energy Limited (appointed 19 October 2018), Non-Executive Director of Aurora Labs Limited (appointed 27 February 2020), and Non-Executive Director of Engentus Pty Ltd (appointed May 2021).

Mr Stinson does not currently hold any other material directorships, other than as disclosed in this Notice.

If elected, Mr Stinson is considered by the Board (with Mr Stinson abstaining) to be an independent Director. Mr Stinson is not considered by the Board to hold any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party.

Mr Stinson has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

### **5.3 Board recommendation**

The Board (with Mr Stinson abstaining) supports the re-election of Mr Stinson.

Mr Stinson has been a part of the Company since 2017 and has an in-depth knowledge and understanding of the Company and its business which will be instrumental in the growth of the Company moving forward.

### **5.4 Additional information**

Resolution 2 is an ordinary Resolution.

## **6. Resolution 3 – Approval of appointment of auditor**

### **6.1 General**

The Company obtained Shareholder approval for the appointment of Ernst and Young as the Company's auditor at a general meeting of the Company held on 15 May 2023 following the receipt of a notice of resignation from Stantons International to resign as the Company's auditor.

The appointment of Ernst and Young as the Company's auditor became effective following the receipt of ASIC's consent to the resignation of Stantons International as the Company's auditor on 6 July 2023 (**Effective Date**).

Section 327C(2) of the Corporations Act provides that an auditor appointed pursuant to section 327C(1) of the Corporations Act holds office until the Company's next annual general meeting.

Resolution 3 seeks Shareholder approval pursuant to section 327B(1)(b) of the Corporations Act for the appointment of Ernst and Young as auditor of the Company.

Ernst and Young has consented to act as the Company's auditor in accordance with section 328A of the Corporations Act and, as at the date of this Notice, has not withdrawn that consent.

In accordance with section 328B(1) of the Corporations Act, the Company has obtained a notice of nomination from a Shareholder for the appointment of Ernst and Young as the Company's auditor, a copy of which is included at Schedule 2.

### **6.2 Additional information**

Resolution 3 is an ordinary Resolution.

The Board recommends that Shareholders vote in favour of Resolution 3.

## **7. Resolution 4 – Approval to amend terms and conditions of existing Options & Performance Rights**

### **7.1 General**

The Company is proposing to, subject to the receipt of Shareholder approval, vary the terms and conditions of 7,000,000 Options and 2,100,000 Performance Rights currently on issue in the Company (**Relevant Securities**).

A summary of the Relevant Securities, the subject of this Resolution, is set out below:

Date of issue	Securities	Holder/s	
16 November 2020	Options exercisable at \$1.12 each and expiring on 31 December 2023 <b>(Class A Options)</b>	<b>Name</b>	<b>Number of securities</b>
		Mark Thompson ( <i>Managing Director</i> )	4,000,000
		Martin Phillips ( <i>Chief Operating Officer, CEO Europe</i> )	1,000,000
16 September 2021	Options exercisable at \$2.16 each and expiring on 14 September 2024 <b>(Class B Options)</b>	<b>Name</b>	<b>Number of securities</b>
		Melissa Roberts ( <i>Chief Financial Officer</i> )	2,000,000
16 November 2020	Performance Rights expiring on 31 December 2023	<b>Name</b>	<b>Number of securities</b>
		Ola Rinnan ( <i>Non-Executive Director</i> )	500,000
		Grant Mooney ( <i>Non-Executive Director</i> )	500,000
		Terry Stinson ( <i>Non-Executive Director and Chair</i> )	600,000
		Stephen Lowe ( <i>Non-Executive Director</i> )	500,000

## 7.2 Proposed amendments

The Company is proposing to amend the terms and conditions of the Relevant Securities in the manner detailed below:

- (a) Amend the terms of the performance milestones for the Relevant Securities, as follows:

Security	<u>Prior to change</u>	<u>After change</u>
<b>Class A Options</b>	<i>Announcement by the Company on the ASX market announcements platform of the execution of binding documentation for commercial financing of the development of the Vittangi Anode Project of a production scale of at least that disclosed in the pre- feasibility study announced on 23 May 2019.</i>	<i>The Company obtaining project financing to enable a Financial Investment Decision for the first commercial Talnode-C and / or Talnode-Si plant on or before 31 December 2024 (<b>New Milestone</b>).</i>
<b>Class B Options</b>	<i>Announcement by the Company on the ASX market announcements platform of the execution of binding documentation for commercial financing of the development of the Vittangi Anode Project of a production scale of at least that disclosed in the detailed feasibility study announced on 1 July 2021.</i>	

Security	<u>Prior to change</u>	<u>After change</u>
<b>Performance Rights</b>	<i>Announcement by the Company on the ASX market announcements platform of the execution of binding documentation for commercial financing of the development of the Vittangi Anode Project of a production scale of at least that disclosed in the pre- feasibility study announced on 23 May 2019.</i>	<i>The Company obtaining project financing to enable a Financial Investment Decision for the first commercial Talnode-C and / or Talnode-Si plant on or before 31 December 2024 (<b>New Milestone</b>).</i>

**Note:** For the purposes of the New Milestone, “**Financial Investment Decision**” means a resolution by the Board of Talga (and the board or authorised representative/s of any other relevant committee or body (if required)) to proceed with the first commercial Talnode-C and / or Talnode-Si plant after regard and consideration being had of all normal and usual investment criteria.

- (b) Extend the milestone date and expiry date of the Relevant Securities, as follows:

Security	<u>Prior to change</u>	<u>After change</u>
<b>Class A Options</b>	Milestone date – 30 Nov 23 Expiry date – 31 Dec 23	Milestone date – 31 Dec 24 Expiry date – 30 Jun 25
<b>Class B Options</b>	Milestone date – 30 Nov 23 Expiry date – 14 Sep 24	
<b>Performance Rights</b>	Milestone date – 30 Nov 23 Expiry date – 31 Dec 23	

The proposed amendments to the Relevant Securities are subject to and conditional on:

- (a) the agreement of the holders of the Relevant Securities (which has been obtained as at the date of this Notice);
- (b) shareholder approval for the purposes of Listing Rule 6.23.4 to vary the terms of the performance milestones for the Relevant Securities in the manner detailed above; and
- (c) ASX providing a waiver from Listing Rule 6.23.3 to the extent necessary to permit the extension of the expiry date and milestone date for the Relevant Securities, which has the effect of increasing the period of exercise (**ASX Waiver**). The Company was granted the ASX Waiver on 26 October 2023, subject to the following conditions:
- (i) the Company obtaining Shareholder approval to amend the terms of the performance milestones and extend the milestone date and expiry date of the Relevant Securities; and
- (ii) the notice of meeting seeking Shareholder approval includes explanatory information to the satisfaction of ASX, including, at a minimum, a clear explanation of the rationale for the proposed amendments so that Shareholders can make an informed assessment whether or not to approve the amendments.

If any of the conditions above are not satisfied (or become incapable of satisfaction) the Company will not proceed with this Resolution 4 and it will be withdrawn by the Chair at the Meeting.

A summary of the proposed new terms and conditions for the Relevant Securities is:

- (a) in respect to the Class A Options, detailed in Schedule 3.
- (b) in respect to the Class B Options, detailed in Schedule 4.
- (c) in respect to the Performance Rights, detailed in Schedule 5.

### 7.3 Rationale for the proposed amendments to the Relevant Securities

The Company is proposing to amend the terms and conditions of the Relevant Securities for the reasons set out below:

- (a) **Not fit for purpose:** The Board considers that the current performance milestones for the Relevant Securities are not fit for purpose or appropriate in light of the Company's current circumstances and market conditions, for the following reasons:
  - (i) The drafting of the performance milestones refers to the "*execution of binding documentation for commercial financing*". This wording is too narrow and is otherwise not appropriate in the context of project financing. The effect of the language is that the Company would need to acquire sufficient funding via a single binding transaction to fund the development of the Vittangi Anode Project.
  - (ii) Whilst there is no theoretical impediment to the Company being able to satisfy this element of the performance milestone, the application is unrealistic in the context of a public listed entity seeking to finance a project development. From a commercial perspective, project financing generally involves the accumulation of funds via a combination of debt and equity or some other corporate transaction (such as a joint venture or farm-in arrangement). To that end, the Board considers that the drafting of the current performance milestones is too restrictive in its current form and is not on market standard terms having regard to the milestones of other ASX listed entities in similar circumstances.
  - (iii) Talga continues to progress funding options for the Company's Vittangi Anode Project, as detailed below:
    - (A) the European Investment Bank (**EIB**) has approved €150 million senior debt funding to underpin the Vittangi Anode Project with loan documentation advancing, which is on customary terms and conditions for a financing facility of this type, subject to final negotiations and fulfilment of EIB conditions;
    - (B) further debt financing with a consortium of European commercial banks and credit agencies has also progressed, with significant due diligence completed. The banking group to provide all debt funding for the Vittangi Anode Project has been selected, complementing EIB to a targeted project debt gearing of up to 60%. Finalisation of project debt facilities with the selected banking consortium remains subject to finalisation of approvals, completion of remaining due diligence and execution of definitive debt facility documentation, which are expected to include customary project financing terms and conditions. Drawdowns under the facility would be subject to customary conditions precedent; and
    - (C) Talga is also continuing discussions and progression of due diligence with a range of targeted strategic investors and is also pursuing grant

funding. These discussions remain early stages.

- (iv) Having regard to the reasons set out above, it is unlikely the performance milestones will be met by the milestone date or indeed at all, given the alternative financing structures which may be utilised. To that end, the Relevant Securities no longer provide holders with incentives as intended and, in the opinion of the Board, will require realignment with the strategy of the Company.
- (b) **Incentive measure:** The Board believes that in order to compensate its directors and key management personnel in line with the Company's strategy, the change to the terms of the Relevant Securities provide an appropriate and meaningful form of remuneration that aligns with shareholders' interests. The Board believes that the achievement of the New Milestone will be to the benefit of all shareholders.

#### **7.4 Listing Rules 6.23.3, 6.23.4 and ASX Waiver**

Listing Rule 6.23.3 provides that changes to options which have the effect of reducing the exercise price, increasing the exercise period or increasing the number of securities received on exercise cannot be made. The Company received the ASX Waiver to permit the amendments proposed under Resolution 4.

Listing Rule 6.23.4 provides that a change to option terms which is not prohibited by Listing Rule 6.23.3 can only be made if Shareholders approve the change. The Company is therefore seeking approval pursuant to this Resolution 4 for the purposes of Listing Rule 6.23.4, to amend the performance milestones for the Relevant Securities to the "New Milestone" rather than the current performance milestones as detailed in Section 7.2(a) above.

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 6.23.4, sections 195(4) and 208 of the Corporations Act to amend the terms and conditions of the Relevant Securities in the manner detailed above.

If Resolution 4 is passed, the Company will be able to amend the terms and conditions of the Relevant Securities in the manner detailed in Section 7.2 above.

If Resolution 4 is not passed, the Company will not be able to proceed with the proposed amendments to the terms and conditions of the Relevant Securities in the manner detailed in Section 7.2 above. As a result, the milestone date for the Relevant Securities will remain 30 November 2023 and the Relevant Securities will likely lapse for the reasons outlined in Section 7.3 above.

#### **7.5 Chapter 2E of the Corporations Act**

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 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.

Section 229 of the Corporations Act defines "financial benefit" broadly and states that the economic and commercial substance of the conduct is to prevail over its legal form. Accordingly, while it is not proposed that additional equity will be issued, the Directors considered it prudent to consider Chapter 2E of the Corporations Act in agreeing to the amendments to the terms and

conditions of those Relevant Securities held by the Directors (**Director Relevant Securities**).

Given the personal interests of all Directors in the outcome of this Resolution and out of an abundance of caution the Board has resolved to seek approval for the purposes of Chapter 2E of the Corporations Act in respect of the proposed amendments to the Director Relevant Securities.

It should be noted that Melissa Roberts and Martin Phillips, are not related parties of the Company and, as such, Shareholder approval is not being sought for the purposes of section 208 of the Corporations Act in respect to the amendments to those Relevant Securities held by Melissa Roberts and Martin Phillips.

## **7.6 Information required under Chapter 2E of the Corporations Act**

Pursuant to and in accordance with section 219 of the Corporations Act, the following information is provided in relation to the proposed amendments to the Director Relevant Securities:

(a) **Identity of the related parties to whom Resolution 4 would permit financial benefits to be given**

Refer to Section 7.1 above.

(b) **Nature of the financial benefit**

Resolution 4 seeks Shareholder approval to allow the Company to amend the terms and conditions of the Director Relevant Securities in the manner detailed in Section 7.2 above.

A summary of the proposed new terms and conditions for the Director Relevant Securities is:

- (i) in respect to the Class A Options held by Mark Thompson, detailed in Schedule 3.
- (ii) in respect to the Performance Rights held by the Non-Executive Directors, detailed in Schedule 5.

The Shares to be issued upon conversion of the Director Relevant Securities will be fully paid ordinary Shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

(c) **Board recommendations**

Given the personal interests of all the Directors in the outcome of this Resolution, the Board declines to make a recommendation to Shareholders in relation to this Resolution.

(d) **Valuation of financial benefit**

It is not possible to value the financial benefit given the proposed amendments to the terms and conditions of the Director Relevant Securities does not confer any additional monetary benefit as the Director Relevant Securities are already on issue and there will be no changes to the number of Director Relevant Securities on issue, or the number of Shares that may be issued if any of the Director Relevant Securities vest and are converted into Shares.



(e) **Remuneration of the Directors**

The current total annual remuneration package for the Directors as at the date of this Notice are set out below:

Director	Salary and fees (inclusive of superannuation)
Mark Thompson ( <i>Managing Director</i> )	\$452,049
Terry Stinson ( <i>Non-Executive Director and Chair</i> )*	\$170,750
Ola Rinnan ( <i>Non-Executive Director</i> )*	\$95,832
Grant Mooney ( <i>Non-Executive Director</i> )*	\$80,832
Stephen Lowe ( <i>Non-Executive Director</i> )*	\$80,832

\* Includes fees for representation on Remuneration Committee and / or Audit and Risk Committee.

(f) **Existing relevant interest of the Directors**

At the date of this Notice, the Directors hold the following relevant interests in Equity Securities of the Company:

Director	Shares	Voting power	Options	Performance Rights
Mark Thompson ( <i>Managing Director</i> )	14,382,174	3.99%	4,000,000	Nil
Terry Stinson ( <i>Non-Executive Director and Chair</i> )	177,372	0.05%	Nil	600,000
Ola Rinnan ( <i>Non-Executive Director</i> )	Nil	Nil	Nil	500,000
Grant Mooney ( <i>Non-Executive Director</i> )	Nil	Nil	Nil	500,000
Stephen Lowe ( <i>Non-Executive Director</i> )	2,077,273	0.58%	Nil	500,000

(g) **Dilution**

The proposed amendments to the terms and conditions of the Director Relevant Securities will not have a diluting effect on the percentage interest of existing Shareholders' holdings as the Director Relevant Securities are already on issue and there will be no changes to the number of Director Relevant Securities on issue, or the number of Shares that may be issued if any of the Director Relevant Securities vest and are converted into Shares.

(h) **Trading history**

The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

**Highest:** \$1.87 per Share on 20 February 2023

**Lowest:** \$0.96 per Share on 17 October 2023

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$1.16 per Share on 25 October 2023.

(i) **Taxation consequences**

There are no taxation consequences for the Company arising from the amendments to the Director Relevant Securities (including fringe benefits tax).

(j) **Other information**

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 4.

## **7.7 Additional information**

Resolution 4 is an ordinary Resolution.

## **8. Resolution 5 – Approval of increase of Non-Executive Directors' Remuneration Fee Pool**

### **8.1 General**

Listing Rule 10.17 provides that an entity must not increase the total aggregate amount of Directors' fees payable to all of its Non-Executive Directors without the approval of its Shareholders.

Article 7.6(a) and (c) of the Constitution requires that remuneration payable to the Non-Executive Directors will not exceed the sum determined by the Company in a general meeting, or until so determined, as the Directors resolve, and the total aggregate fixed sum will be divided between the Non-Executive Directors as the Directors shall determine, or until so determined, must be divided between the Non-Executive Directors equally.

The maximum aggregate amount of fees payable to the Non-Executive Directors is currently set at \$500,000. Resolution 5 seeks the approval of Shareholders pursuant to Listing Rule 10.17 and article 7.6(a) of the Constitution to increase the total aggregate fixed sum per annum to be paid to the Non-Executive Directors to \$750,000.

If Resolution 5 is passed, the total aggregate fixed sum per annum to be paid to the Non-Executive Directors will be increased to \$750,000.

If Resolution 5 is not passed, the total aggregate fixed sum of fees payable to the Non-Executive Directors will remain at \$500,000.

## **8.2 Rationale for increase**

The maximum aggregate amount of fees proposed to be paid to the Non-Executive Directors per annum takes into account the current market remuneration for Non-Executive Directors and provides for an aggregate amount which will allow for the potential appointment of additional Directors in the future. The Board has not sought an increase in the aggregate Directors' fees since initial listing in 2010.

The Board believes that the remuneration of the Directors must be maintained at a level consistent with ASX listed companies of similar size and development stage, taking into account the time commitment of the role and Company performance.

The proposed level of fees does not mean that the Company must pay the entire amount approved as fees in each year, rather the increase in the proposed limit is requested to:

- (a) create the capacity to allow for the appointment of additional Non-Executive Directors as and when determined appropriate;
- (b) allow for overlapping tenures as part of the Board's orderly succession planning; and
- (c) attract and retain Non-Executive Directors whose skills and qualifications are appropriate for the size and nature of the Company.

## **8.3 Specific information required by Listing Rule 10.17**

Pursuant to and in accordance with Listing Rule 10.17, the following information is provided in relation to the proposed increase to the aggregate amount payable to Non-Executive Directors:

- (a) The Company is proposing to increase the total aggregate fixed sum per annum to be paid to the Non-Executive Directors by \$250,000.
- (b) The maximum aggregate amount per annum to be paid to all Non-Executive Directors is \$750,000 and includes superannuation contributions made by the Company for the benefit of Non-Executive Directors and any fees which a Non-Executive Director agrees to sacrifice for other benefits. It does not include reimbursement of genuine out of pocket expenses paid in accordance with the Constitution, or Securities issued to a Non-Executive Director under Listing Rules 10.11 or 10.14 with Shareholder approval.
- (c) In the three years prior to the date of this Notice and the date of the Meeting, the Company has issued the following Equity Securities to the current Non-Executive Directors (or their respective nominees) pursuant to Listing Rules 10.11 and 10.14:

Director	Listing Rule	Type of Security	Number
Terry Stinson <i>(Non-Executive Director and Chair)</i>	Listing Rule 10.14	Performance Rights	600,000
Grant Mooney <i>(Non-Executive Director)</i>	Listing Rule 10.14	Performance Rights	500,000
Stephen Lowe <i>(Non-Executive Director)</i>	Listing Rule 10.14	Performance Rights	500,000
Ola Rinnan <i>(Non-Executive Director)</i>	Listing Rule 10.14	Performance Rights	500,000

(d) A voting exclusion statement is included in the Notice.

#### **8.4 Board recommendation**

Mark Thompson, being the only Director without an interest in the outcome of this Resolution, recommends that Shareholders vote in favour of Resolution 5.

#### **8.5 Additional information**

Resolution 6 is an ordinary resolution.

## Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

<b>\$</b>	means Australian dollars.
<b>Annual Report</b>	means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2023.
<b>ASX</b>	means the ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
<b>ASX Waiver</b>	has the meaning given in Section 7.2.
<b>Auditor's Report</b>	means the auditor's report contained in the Annual Report.
<b>AWST</b>	means Western Standard Time, being the time in Perth, Western Australia.
<b>Board</b>	means the board of Directors.
<b>Chair</b>	means the person appointed to chair the Meeting of the Company convened by the Notice.
<b>Class A Options</b>	means the 5,000,000 Options exercisable at \$1.12 each and expiring on 31 December 2023.
<b>Class B Options</b>	means the 2,000,000 Options exercisable at \$2.16 each and expiring on 14 September 2024.
<b>Closely Related Party</b>	means: (a) a spouse or child of the member; or (b) has the meaning given in section 9 of the Corporations Act.
<b>Company</b>	means Talga Group Ltd (ACN 138 405 419).
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth) as amended.
<b>Director</b>	means a director of the Company.
<b>Director Relevant Securities</b>	has the meaning in Section 7.5.
<b>Directors' Report</b>	means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
<b>Effective Date</b>	has the meaning given in Section 6.1.
<b>Equity Security</b>	has the same meaning as in the Listing Rules.
<b>Explanatory Memorandum</b>	means the explanatory memorandum which forms part of the Notice.

<b>Financial Report</b>	means the financial report contained in the Annual Report.
<b>Key Management Personnel</b>	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.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Material Investor</b>	means, in relation to the Company: <ul style="list-style-type: none"> <li>(a) a related party;</li> <li>(b) Key Management Personnel;</li> <li>(c) a substantial Shareholder;</li> <li>(d) an advisor; or</li> <li>(e) an associate of the above,</li> </ul> who received or will receive Securities in the Company which constitute more than 1% of the Company's anticipated capital structure at the time of issue.
<b>Meeting</b>	has the meaning given in the introductory paragraph of the Notice.
<b>Notice</b>	means this notice of general meeting.
<b>Proxy Form</b>	means the proxy form made available with the Notice.
<b>Relevant Securities</b>	has the meaning given in Section 7.1.
<b>Remuneration Report</b>	means the remuneration report of the Company contained in the Annual Report.
<b>Resolution</b>	means a resolution referred to in the Notice.
<b>Schedule</b>	means a schedule to the Notice.
<b>Section</b>	means a section of the Explanatory Memorandum.
<b>Securities</b>	means any Equity Securities of the Company (including Shares and/or options).
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means the holder of a Share.
<b>Strike</b>	has the meaning in Section 4.1.

## Schedule 2 Notice of nomination of auditor

5<sup>th</sup> October 2023

The Board of Directors  
Talga Group Ltd  
Suite 3.03, Level 3 46 Colin Street  
West Perth WA 6005

Dear Directors

### Nomination of Auditor

In accordance with the provision of Section 328B(1) of the *Corporations Act 2001* (Cth) (**Act**), I, Dean Scarparolo, being a Shareholder of Talga Group Ltd (**Company**), hereby nominate Ernst and Young for appointment as auditor of the Company.

Please distribute copies of this notice of this nomination as required by section 328B(3) of the Act.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Dean Scarparolo', with a stylized flourish extending from the end.

**Dean Scarparolo**

## Schedule 3 New terms and conditions for Class A Options

### 1. Entitlement

Subject to the terms and conditions set out below, each Option once vested entitles the holder of the Option (**Holder**), on exercise, to the issue of one Share.

### 2. Vesting Conditions

The Options are subject to the following Milestone, Milestone Date and Expiry Date:

Milestone	Milestone Date	Expiry Date
The Company obtaining project financing to enable a Financial Investment Decision for the first commercial Talnode C and / or Talnode Si plant on or before 31 December 2024 (New Milestone).	31 Dec 24	30 Jun 25

### 3. Vesting

The Company will notify the Holder in writing (**Vesting Notice**) within 3 Business Days of becoming aware that the Milestone has been satisfied. For the avoidance of doubt, the Milestone can only be satisfied once and may only be satisfied on or before the Milestone Date.

### 4. Exercise

Upon receipt of a Vesting Notice, the Holder may apply to exercise the Options into Shares by:

- (a) delivering a signed notice of exercise to the Company Secretary, in the form provided by the Company to the Holder prior to the Expiry Date; and
- (b) either:
  - (i) making payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company; or
  - (ii) stating in the notice of exercise that the Holder elects to use the cashless exercise facility as permitted in clause 7.2 of the Plan rules.

(together, **Exercise Notice**).

### 5. Milestone Date and Expiry Date

If the Milestone is not satisfied by 5.00pm (WST) on the Milestone Date, the Options will expire and lapse.

If the Milestone has been satisfied by 5.00pm (WST) on the Milestone Date, but an



Exercise Notice has not been provided by the Holder to the Company in accordance with condition 4 on or before 5.00pm (WST) on the Expiry Date, the Options will expire and lapse.

6. **Transfer**

Unless determined otherwise by the Board in its absolute discretion the Options are not transferable.

7. **Entitlements and bonus issues**

Subject always to the rights under condition 8 (Reorganisation of Capital), Holders will not be entitled to participate in new issues of capital offered to Shareholders such as bonus issues and entitlement issues.

8. **Reorganisation of capital**

In the event that the issued capital of the Company is reconstructed, all the Holder's rights will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the Holder's economic and other rights are not diminished or terminated.

9. **Right to receive notices and attend general meetings**

Each Option confers on the Holder the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. A Holder has the right to attend general meetings of the Company.

10. **Voting rights**

An Option does not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.

11. **Dividend rights**

An Option does not entitle the Holder to any dividends.

12. **Return of capital rights**

The Options do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

13. **Rights on winding up**

The Options have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.

14. **Change in control**

Notwithstanding any other provisions of the Rules, if a Change of Control Event occurs, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Options will be dealt

with, including, without limitation, in a manner that allows the Holder to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

**15. Takeovers limitation**

- (a) Notwithstanding any other provision of these terms, if the exercise of any Option would result in any person being in breach of section 606(1) of the Corporations Act, the exercise of each Option that would cause the contravention will be deferred until such time or times thereafter that the exercise would not result in a contravention of section 606(1).
- (b) The Company will not be required to seek the approval of its Shareholders for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Share on the exercise of Options.
- (c) If the exercise of any Options is restricted by condition 15(a) and the resultant Shares are not issued before the Expiry Date, the Options are to expire on the Expiry Date and the Holder will have no further rights and the Company will have no further obligations in respect to the expired Options or the underlying Shares.

**16. Issue of Shares**

Within 5 Business Days after the date on which the Company receives an Exercise Notice or the Options are exercised under condition 15, the Company will:

- (a) issue the Shares specified in the Exercise Notice or pursuant to the exercise under condition 15;
- (b) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (to the extent required); and
- (c) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If the Company is unable to deliver a notice under condition 15(b) or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Shares issued on exercise of the Options may not be traded and will be subject to a holding lock 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.

All Shares issued upon the exercise of Options will upon issue rank pari passu in all respects with other Shares.

**17. Quotation**

Options will not be quoted on ASX. On exercise of Options into Shares, the Company will apply for quotation in accordance with condition 16(c).

**18. No other rights**

An Option does not give a Holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

19. **Amendments required by ASX**

The terms of the Options may be amended as considered necessary by the Board in order to comply with the Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.

## Schedule 4 New terms and conditions for Class B Options

### 1. Entitlement

Subject to the terms and conditions set out below, each Option once vested entitles the holder of the Option (**Holder**), on exercise, to the issue of one Share.

### 2. Vesting Conditions

The Options are subject to the following Milestone, Milestone Date and Expiry Date:

Milestone	Milestone Date	Expiry Date
The Company obtaining project financing to enable a Financial Investment Decision for the first commercial Talnode C and / or Talnode Si plant on or before 31 December 2024 (New Milestone).	31 Dec 24	30 Jun 25

### 3. Vesting

The Company will notify the Holder in writing (**Vesting Notice**) within 3 Business Days of becoming aware that the Milestone has been satisfied. For the avoidance of doubt, the Milestone can only be satisfied once and may only be satisfied on or before the Milestone Date.

### 4. Exercise

Upon receipt of a Vesting Notice, the Holder may apply to exercise the Options into Shares by:

- (a) delivering a signed notice of exercise to the Company Secretary, in the form provided by the Company to the Holder prior to the Expiry Date; and
- (b) either:
  - (i) making payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company; or
  - (ii) stating in the notice of exercise that the Holder elects to use the cashless exercise facility as permitted in clause 7.2 of the Plan rules.

(together, **Exercise Notice**).

### 5. Milestone Date and Expiry Date

If the Milestone is not satisfied by 5.00pm (WST) on the Milestone Date, the Options will expire and lapse.

If the Milestone has been satisfied by 5.00pm (WST) on the Milestone Date, but an Exercise Notice has not been provided by the Holder to the Company in accordance with condition 4 on or before 5.00pm (WST) on the Expiry Date, the Options will expire and lapse.

6. **Transfer**

Unless determined otherwise by the Board in its absolute discretion the Options are not transferable.

7. **Entitlements and bonus issues**

Subject always to the rights under condition 8 (Reorganisation of Capital), Holders will not be entitled to participate in new issues of capital offered to Shareholders such as bonus issues and entitlement issues.

8. **Reorganisation of capital**

In the event that the issued capital of the Company is reconstructed, all the Holder's rights will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the Holder's economic and other rights are not diminished or terminated.

9. **Right to receive notices and attend general meetings**

Each Option confers on the Holder the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. A Holder has the right to attend general meetings of the Company.

10. **Voting rights**

An Option does not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.

11. **Dividend rights**

An Option does not entitle the Holder to any dividends.

12. **Return of capital rights**

The Options do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

13. **Rights on winding up**

The Options have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.

14. **Change in control**

Notwithstanding any other provisions of the Rules, if a Change of Control Event

occurs, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Options will be dealt with, including, without limitation, in a manner that allows the Holder to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

**15. Takeovers limitation**

- (a) Notwithstanding any other provision of these terms, if the exercise of any Option would result in any person being in breach of section 606(1) of the Corporations Act, the exercise of each Option that would cause the contravention will be deferred until such time or times thereafter that the exercise would not result in a contravention of section 606(1).
- (b) The Company will not be required to seek the approval of its Shareholders for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Share on the exercise of Options.
- (c) If the exercise of any Options is restricted by condition 15(a) and the resultant Shares are not issued before the Expiry Date, the Options are to expire on the Expiry Date and the Holder will have no further rights and the Company will have no further obligations in respect to the expired Options or the underlying Shares.

**16. Issue of Shares**

Within 5 Business Days after the date on which the Company receives an Exercise Notice or the Options are exercised under condition 15, the Company will:

- (a) issue the Shares specified in the Exercise Notice or pursuant to the exercise under condition 15;
- (b) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (to the extent required); and
- (c) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If the Company is unable to deliver a notice under condition 15(b) or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Shares issued on exercise of the Options may not be traded and will be subject to a holding lock 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.

All Shares issued upon the exercise of Options will upon issue rank pari passu in all respects with other Shares.

**17. Quotation**

Options will not be quoted on ASX. On exercise of Options into Shares, the Company will apply for quotation in accordance with condition 16(c).

18. **No other rights**

An Option does not give a Holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

19. **Amendments required by ASX**

The terms of the Options may be amended as considered necessary by the Board in order to comply with the Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.

# Schedule 5      New terms and conditions for Performance Rights

1.      **Entitlement**

Subject to the terms and conditions set out below, each Performance Right once vested entitles the holder of the Performance Right (**Holder**), on conversion, to the issue of one Share.

2.      **Vesting Conditions**

The Performance Rights are subject to the following Milestone, Milestone Date and Expiry Date:

Milestone	Milestone Date	Expiry Date
The Company obtaining project financing to enable a Financial Investment Decision for the first commercial Talnode C and / or Talnode Si plant on or before 31 December 2024 (New Milestone).	31 Dec 24	30 Jun 25

3.      **Vesting**

The Company will notify the Holder in writing (**Vesting Notice**) within 3 Business Days of becoming aware that the Milestone has been satisfied. For the avoidance of doubt, the Milestone can only be satisfied once and may only be satisfied on or before the Milestone Date.

4.      **Conversion**

Upon receipt of a Vesting Notice, the Holder may apply to convert the Performance Rights into Shares by delivering a signed **Notice of Conversion** to the Company Secretary, in the form provided by the Company to the Holder prior to the Expiry Date.

5.      **Milestone Date and Expiry Date**

If the Milestone is not satisfied by 5.00pm (WST) on the Milestone Date, the Performance Rights will expire and lapse.

If the Milestone has been satisfied by 5.00pm (WST) on the Milestone Date, but a notice of conversion has not been provided by the Holder to the Company in accordance with condition 4 on or before 5.00pm (WST) on the Expiry Date, the Performance Rights will expire and lapse.

6.      **Transfer**

Unless determined otherwise by the Board in its absolute discretion the Performance Rights are not transferable.

7.      **Entitlements and bonus issues**



Subject always to the rights under condition 8 (Reorganisation of Capital), Holders will not be entitled to participate in new issues of capital offered to Shareholders such as bonus issues and entitlement issues.

**8. Reorganisation of capital**

In the event that the issued capital of the Company is reconstructed, all the Holder's rights will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the Holder's economic and other rights are not diminished or terminated.

**9. Right to receive notices and attend general meetings**

Each Performance Right confers on the Holder the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. A Holder has the right to attend general meetings of the Company.

**10. Voting rights**

A Performance Right does not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.

**11. Dividend rights**

A Performance Right does not entitle the Holder to any dividends.

**12. Return of capital rights**

The Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

**13. Rights on winding up**

The Performance Rights have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.

**14. Change in control**

Notwithstanding any other provisions of the Rules, if a Change of Control Event occurs, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Holder's Performance Rights will be dealt with, including, without limitation, in a manner that allows the Holder to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

**15. Takeovers limitation**

- (a) Notwithstanding any other provision of these terms, if the conversion of any Performance Rights would result in any person being in breach of section 606(1) of the Corporations Act, the conversion of each Performance Right that would cause the contravention will be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1).

- (b) The Company will not be required to seek the approval of its Shareholders for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Share on the conversion of Performance Rights.
- (c) If the conversion of any Performance Rights is restricted by condition 15(a) and the resultant Shares are not issued before the Expiry Date, the Performance Rights are to expire on the Expiry Date and the Holder will have no further rights and the Company will have no further obligations in respect to the expired Performance Rights or the underlying Shares.

#### 16. **Issue of Shares**

Within 5 Business Days after the date on which the Company receives a Notice of Conversion or the Performance Rights convert under condition 15, the Company will:

- (a) issue the Shares specified in the Notice of Conversion or pursuant to the conversion under condition 15;
- (b) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (to the extent required); and
- (c) apply for official quotation on ASX of Shares issued pursuant to the conversion of the Performance Rights.

If the Company is unable to deliver a notice under condition 16(b) or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Shares issued on conversion of the Performance Rights may not be traded and will be subject to a holding lock 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.

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

#### 17. **Quotation**

Performance Rights will not be quoted on ASX. On conversion of Performance Rights into Shares, the Company will apply for quotation in accordance with condition 16(c).

#### 18. **No other rights**

A Performance Right does not give a Holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

#### 19. **Amendments required by ASX**

The terms of the Performance Rights may be amended as considered necessary by the Board in order to comply with the Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.

Your proxy voting instruction must be received by **02.00pm (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.**



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

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

#### BY FACSIMILE:

+61 2 8583 3040

#### All enquiries to Automic:

##### WEBSITE:

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

##### PHONE:

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

## STEP 1 - How to vote

### APPOINT A PROXY:

I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of TALGA GROUP LTD, to be held at **02.00pm (AWST) on Thursday, 30 November 2023 at Wattle Room, Westin Hotel, Level 2, 480 Hay Street, Perth, Western Australia** hereby:

**Appoint the Chair of the Meeting (Chair)** OR if you are not appointing the Chair of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

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**The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.**

Unless indicated otherwise by ticking the "for," "against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

### AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 4 and 5 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 4 and 5 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

## STEP 2 - Your voting direction

Resolutions	For	Against	Abstain
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Terry Stinson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of appointment of auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval to amend terms and conditions of existing Options & Performance Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of increase of Non-Executive Directors' Remuneration Fee Pool	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

## STEP 3 – Signatures and contact details

Individual or Securityholder 1 <input style="width: 90%; height: 25px;" type="text"/>	Securityholder 2 <input style="width: 90%; height: 25px;" type="text"/>	Securityholder 3 <input style="width: 90%; height: 25px;" type="text"/>
Sole Director and Sole Company Secretary	Director	Director / Company Secretary
Contact Name:		
<input style="width: 100%; height: 20px;" type="text"/>		
Email Address:		
<input style="width: 100%; height: 20px;" type="text"/>		
Contact Daytime Telephone		
<input style="width: 100%; height: 20px;" type="text"/>		
Date (DD/MM/YY)		
<input style="width: 20%; height: 20px;" type="text"/> / <input style="width: 20%; height: 20px;" type="text"/> / <input style="width: 20%; height: 20px;" type="text"/>		

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).**