



24 October 2024

## AUSTRALIAN STRATEGIC MATERIALS – 2024 ANNUAL GENERAL MEETING

Dear Shareholder,

I am pleased to invite you to attend the 2024 Annual General Meeting of Australian Strategic Materials Ltd (**ASM**), which will be held at the Intercontinental Hotel, 815 Hay Street, Perth, Western Australia 6000 on Tuesday, 26 November 2024 at 10:30am (AWST) (**Meeting**).

In accordance with the *Corporations Act 2001* (Cth), the Notice of Meeting and the accompanying Explanatory Statement are being made available to shareholders electronically. The ASM Notice of Meeting is available for you to view and download on the ASM website at <https://asm-au.com/asx/> or from the ASX announcements website ([www.asx.com.au](http://www.asx.com.au)) using the ASX code: ASM.

Shareholders will be able to participate in person and vote at the Meeting venue or view a live webcast of the meeting through the Automic online platform (webcast link:

[https://us02web.zoom.us/webinar/register/WN\\_cveX\\_7zNT9qk8CXKSU6TQw](https://us02web.zoom.us/webinar/register/WN_cveX_7zNT9qk8CXKSU6TQw)).

Your participation in the Meeting is important to us. If you are unable to attend the Meeting at the scheduled time, you can participate in the Meeting by lodging a proxy vote. As voting on all resolutions at the Meeting will be conducted by poll, your lodged proxy vote will be included in the vote on each resolution.

Shareholders can either lodge the proxy appointment online at <https://investor.automic.com.au/#/loginsah> or sign and return the proxy form to the Company's share registry, Automic, in accordance with the instructions on the form, so that it is received by 10:30 am (AWST) on 24 November 2024.

ASM is committed to promoting positive environmental outcomes, so we encourage all shareholders to provide an email address to receive their communications online. This ensures we are providing you with the information you need in the fastest, most cost-effective manner possible, while also significantly reducing our environmental impact.

For a detailed overview of ASM's performance and operations for the year ended 30 June 2024, I encourage you to read the 2024 Annual Report prior to the Meeting, which can be found on the ASM website at [www.asm-au.com](http://www.asm-au.com). If you are unable to access the Meeting materials online, please call the Joint Company Secretary, Annaliese Eames on +61 8 9200 1681.

For and on behalf of the Board,

A handwritten signature in black ink, appearing to read 'Annaliese Eames', with a stylized flourish at the end.

**Annaliese Eames**

Chief Legal and External Affairs Officer and Joint Company Secretary



# Australian Strategic Materials Ltd

ACN 168 368 401

**NOTICE OF ANNUAL GENERAL MEETING  
EXPLANATORY MEMORANDUM  
AND  
PROXY FORM**

**DATE OF MEETING**

26 November 2024

**TIME OF MEETING**

10:30 AM (AWST)

**PLACE OF MEETING**

Intercontinental Hotel  
815 Hay Street, Perth,  
Western Australia 6000

**THIS DOCUMENT IS IMPORTANT**

*If you do not understand this document or are in doubt as to how you should vote, you should consult your stockbroker, solicitor, accountant or other professional adviser.*

**THE 2024 ANNUAL REPORT IS AVAILABLE ON THE COMPANY'S WEBSITE:**

**[www.asm-au.com](http://www.asm-au.com)**

# NOTICE OF ANNUAL GENERAL MEETING

---

Notice is given that the annual general meeting of Shareholders of Australian Strategic Materials Ltd ACN 168 368 401 (**ASM** or the **Company**) will be held at the Intercontinental Hotel, 815 Hay Street, Perth, Western Australia 6000 on Tuesday, 26 November 2024 at 10:30am (AWST) for the purpose of transacting the following business, which is further described in the Explanatory Memorandum accompanying, and forming part of, this Notice (**Meeting**).

Shareholders are welcome to participate in person at the Meeting. Registration for the Meeting will be available from 10:00am (AWST). The Meeting will also be broadcast live via webcast to give Shareholders the opportunity to observe the Meeting proceedings and Company presentation. To watch the webcast, please use the webcast link set out below. For more information on Shareholder questions and how to vote, refer to the paragraphs below.

**Webcast Link:** [https://us02web.zoom.us/webinar/register/WN\\_cveX\\_7zNT9qk8CXKSU6TQw](https://us02web.zoom.us/webinar/register/WN_cveX_7zNT9qk8CXKSU6TQw)

Capitalised terms and abbreviations used in this Notice, including in the Explanatory Memorandum, are defined in the Glossary.

## **Your vote is important**

The business of the Meeting affects your shareholding, and your vote is important. Voting on each item of business will be conducted by poll. The Board encourages all Shareholders to vote at the Meeting or submit a valid Proxy Form to assist in the orderly conduct of the Meeting.

## **Voting eligibility**

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that persons are eligible to vote at the Meeting if they are a registered Shareholder as at 4:00 pm (AWST) on 24 November 2024.

## **Voting by Proxy**

A Proxy Form is attached to 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 invited and encouraged to attend the Meeting or, if they are unable to attend in person, to appoint a proxy. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person. In accordance with rule 15.7 of the Constitution, the appointment of a proxy or attorney is not revoked by the Shareholder attending and taking part in the Meeting, but if the Shareholder votes on a resolution, the proxy or attorney is not entitled to vote, and must not vote, as the Shareholder's proxy or attorney on the resolution.

Each Shareholder entitled to attend and vote at the Meeting has a right to appoint a proxy. To vote by proxy, please complete and sign the enclosed personalised Proxy Form and lodge it in accordance with the instructions below. Proxy Forms (and any authority under which it is signed or a certified copy of the authority) must be received by the Company or Share Registry by no later than 10:30am (AWST) on 24 November 2024 to be valid. Information on how to lodge a proxy is set out below and on the Proxy Form.

## PROXY LODGEMENT METHOD INSTRUCTION

<b>Online</b>	<p>Lodge the Proxy Form online at: <a href="https://investor.automic.com.au/#/loginsah">https://investor.automic.com.au/#/loginsah</a>.</p> <p>Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (<b>SRN</b>) or Holder Identification Number (<b>HIN</b>)) as shown on the front of the Proxy Form.</p> <p>For further information on the online proxy lodgement process please see the Online Proxy Lodgement Guide at <a href="https://www.automicgroup.com.au/virtual-agms/">https://www.automicgroup.com.au/virtual-agms/</a></p>
<b>Email</b>	Email your Proxy Form to: <a href="mailto:meetings@automicgroup.com.au">meetings@automicgroup.com.au</a>
<b>Fax</b>	Fax your Proxy Form to: +61 2 8583 3040
<b>Post</b>	<p>Post your completed Proxy Form to:</p> <p>Automic GPO Box 5193 Sydney NSW 2001</p>
<b>In Person</b>	<p>Deliver to:</p> <p>Automic Level 5, 126 Phillip Street Sydney NSW 2000</p>

The proxy does not need to be a Shareholder and can be an individual or a body corporate. A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If not specified, each proxy may exercise one-half of the votes.

### Chair as Proxy

If you appoint the Chair as your proxy and wish to direct the Chair how to vote, you can do so by marking one of the boxes for the relevant Resolution (i.e. by directing the Chair to vote "For", "Against" or "Abstain").

By appointing the Chair as a proxy (or where the Chair becomes proxy by default) the relevant Shareholder gives the Chair express authority to exercise the proxy on Resolutions 1, 3, 4, 5, 6 and 7 (except where the Shareholder has indicated a different voting intention on the Proxy Form) even though Resolutions 1, 3, 4, 5, 6 and 7 are connected directly or indirectly with the remuneration of a members of the Key Management Personnel, which includes the Chair. It is the Chair's intention to vote all undirected proxies in favour of all Resolutions. In exceptional cases the Chair's intentions may subsequently change and in this event, the Company will make an announcement to the ASX market.

If you appoint a member of Key Management Personnel (other than the Chair) or any Closely Related Party of a member of Key Management Personnel as your proxy, you must direct that person how to vote on Resolutions 1, 3, 4, 5, 6 and 7 if you want your Shares to be voted on those Resolutions.

### Corporate representatives

A body corporate who is a Shareholder or proxy must appoint an individual as its corporate representative to attend and vote at the Meeting. If you are a corporate representative, you will need to provide evidence of your

appointment as a corporate representative with the Share Registry prior to the Meeting or have previously provided the Company with evidence of your appointment.

#### **Powers of attorney**

If you appoint an attorney to attend and vote at the Meeting on your behalf, the power of attorney (or a certified copy) must be received by the Share Registry by **10:30am (AWST) on 24 November 2024**, unless the power of attorney has previously been lodged with the Share Registry.

#### **Shareholder questions**

Shareholders can ask questions relevant to the business of the Meeting and of the Directors and auditor in-person at the Meeting or before by submitting questions in writing to the Company Secretary at [info@asm-au.com](mailto:info@asm-au.com) by **5:00 pm (AWST) on 24 November 2024**.

The Board will endeavour to respond to as many Shareholder questions as possible during the Meeting. Please note that there may still not be sufficient time available at the Meeting to address all the questions raised and individual responses will not be sent to Shareholders.

If you are unable to access the relevant Meeting materials online or if you wish to receive a paper copy of the Meeting materials, please contact the Company on +61 8 9200 1681 between 9:00 am and 5:00 pm (AWST) Monday to Friday or email the Company at [info@asm-au.com](mailto:info@asm-au.com). Please remember to provide your name, address, and contact phone number.

# BUSINESS OF THE ANNUAL GENERAL MEETING

---

## FY24 ANNUAL ACCOUNTS AND REPORTS

To receive and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2024, which includes the Financial Report of the Company, the Directors' Report (including the Remuneration Report) and the Auditor's Report.

**Note:** There is no requirement for Shareholders to approve these reports. Pursuant to the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments in relation to, each of the aforementioned reports during consideration of this item.

---

## 1 RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

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

*That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report, which forms part of the Directors' Report for the financial year ended 30 June 2024, be adopted.*

**Note:** In accordance with section 250R(3) of the Corporations Act, the vote on this Resolution will be advisory only and does not bind the Directors or the Company. The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

### **Voting Prohibition**

A vote on Resolution 1 must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons (each a **voter**) as proxy if the vote is not cast on behalf of a person who is excluded from voting on Resolution 1, and:

- (a) the voter is appointed as a proxy that specifies the way the proxy is to vote on Resolution 1; 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 though this Resolution is connected with the remuneration of members of the Key Management Personnel.

---

## 2 RESOLUTION 2: RE-ELECTION OF DIRECTOR – MR NICHOLAS EARNER

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

*That, for the purposes of rule 3.4 of the Constitution, Listing Rule 14.4 and all other purposes, Mr Nicholas Earner, who retires in accordance with rule 3.6 of the Constitution and, being eligible, offers himself for re-election as Director, is re-elected as a Director.*

---

## 3 RESOLUTION 3: RENEWAL OF THE ASM PERFORMANCE RIGHTS PLAN

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

*That, pursuant to and in accordance with Listing Rule 7.2 (Exception 13(b)), section 260C(4) of the Corporations Act and for all other purposes, Shareholders approve the renewal of (and the Company's adoption of) the Company's short and long term incentive plan, being the ASM Performance Rights Plan (as amended on the terms and conditions in the Explanatory Memorandum), the grant of any Performance Rights under the ASM Performance Rights Plan and the issue of underlying Shares of such Performance Rights in accordance with the ASM Performance Rights Plan, on the terms and conditions in the Explanatory Memorandum.*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is eligible to participate in the ASM Performance Rights Plan or an associate of that person (or those persons).

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this 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 this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Voting Prohibition**

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on 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 if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

---

## 4 RESOLUTION 4: AMENDMENT OF THE TERMS OF EXISTING PERFORMANCE RIGHTS

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

*That, pursuant to and in accordance with Listing Rule 6.23.4 and for all other purposes, Shareholders approve amendments to the terms and conditions of the existing Performance Rights, in accordance with the ASM Performance Rights Plan as amended on the terms and conditions in the Explanatory Memorandum.*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the holders of Performance Rights to be amended, pursuant to approval of this Resolution, and any associate of one or more of those holders of Performance Rights.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this 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 this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.



#### Voting Prohibition

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on 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 if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

---

## 5 RESOLUTION 5: APPROVAL OF POTENTIAL TERMINATION BENEFITS AND ENTITLEMENTS

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

*That, pursuant to and in accordance with Part 2D.2 of the Corporations Act (including sections 200B and 200E of the Corporations Act), rule 10.5 of the Constitution and for all other purposes, Shareholders approve the giving of benefits detailed in the Explanatory Memorandum in connection with any person, who from time to time is or has been a member of the Key Management Personnel or holds or has held a managerial or executive office in the Company or a related body corporate, ceasing to be a member of the Key Management Personnel, ceasing to hold that managerial or executive office or ceasing to hold a subsequent office, or position of employment, in the Company or a related body corporate (**Relevant Personnel**). This approval applies for such benefits given to Relevant Personnel or any other person in the period prior to the conclusion of the third annual general meeting of the Company after the date on which this Resolution 5 is passed.*

#### Voting Prohibition

Any Shareholder who is:

- (a) Relevant Personnel (as detailed in Resolution 5) or may become Relevant Personnel in the future, or
- (b) an associate of Relevant Personnel or of a person who may become Relevant Personnel in the future,

and wishes to preserve the benefit of this Resolution for that Relevant Personnel (or potential Relevant Personnel), must not vote on this Resolution. However, subject to the further voting prohibition below, the Shareholder may cast a vote if the vote is cast as a proxy appointed by writing that specifies how the proxy is to vote on this Resolution and it is not cast on behalf of any person listed in (a) or (b) immediately above.

Further, 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 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 the 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 if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

---

## 6 RESOLUTION 6: ISSUE OF SHORT-TERM PERFORMANCE RIGHTS TO ROWENA SMITH

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

*That, for the purposes of Listing Rules 7.1 and 10.14, Part 2D.2 of the Corporations Act (including sections 200B and 200E of the Corporations Act) and for all other purposes, approval is given for the Company to grant 587,952 FY25 STI Performance Rights to Ms Rowena Smith (and/or her nominee(s)), a Director, under the terms of the ASM Performance Rights Plan (including the issue or transfer of Shares on the vesting and exercise of those Performance Rights) and otherwise in accordance with the terms and conditions set out in the Explanatory Statement.*

A Voting Prohibition Statement and a Voting Exclusion Statement for this Resolution are set out below, at Resolution 7.

---

## 7 RESOLUTION 7: ISSUE OF LONG-TERM PERFORMANCE RIGHTS TO ROWENA SMITH

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

*That, for the purposes of Listing Rules 7.1 and 10.14, Part 2D.2 of the Corporations Act (including sections 200B and 200E of the Corporations Act) and for all other purposes, approval is given for the Company to grant 587,952 LTI Performance Rights to Ms Rowena Smith (and/or her nominee(s)), a Director, under the terms of the ASM Performance Rights Plan (including the issue or transfer of Shares on the vesting and exercise of those Performance Rights) and otherwise in accordance with the terms and conditions set out in the Explanatory Statement.*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of Resolution 6 and/or Resolution 7 by or on behalf of:

- (a) Ms Smith (and her nominee(s));

- (b) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the ASM Performance Rights Plan; and
- (c) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder),

or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 6 and/or Resolution 7 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; 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 this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **Voting Prohibition**

A vote on Resolution 6 and/or Resolution 7 must not be cast (in any capacity) by or on behalf of Ms Rowena Smith or her nominee(s) or any of her, or their, associates. However, subject to the voting exclusion above and the further voting prohibition below, this does not prevent the casting of a vote 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 Ms Rowena Smith or her nominee(s) or any of her, or their, associates.

Further, in accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 6 and/or Resolution 7 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 the 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 if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

---

## 8 RESOLUTION 8: APPROVAL OF 10% ADDITIONAL PLACEMENT CAPACITY

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

*That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the Company to have the additional capacity to issue Equity Securities totaling up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions described in the Explanatory Memorandum.*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of, if at the time this approval is sought the Company is proposing to make an issue of Equity Securities under Listing Rule 7.1A.2, any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of this 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; 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 this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

As at the date of this Notice, the Company has not identified any particular persons or class of persons who would be excluded from voting on Resolution 8.

---

Dated: 18 October 2024

By order of the Board of Directors



Annaliese Eames  
Chief Legal and External Affairs Officer and Joint Company Secretary

# EXPLANATORY MEMORANDUM

---

## 1 INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting.

This Explanatory Memorandum should be read in conjunction with and forms part of the Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions. Directors who are interested in the outcome of Resolutions have abstained from making recommendations for the reasons detailed in the Explanatory Memorandum.

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

---

## 2 FY24 ANNUAL ACCOUNTS AND REPORTS

In accordance with section 317 of the Corporations Act, the Company's Financial Report, Directors' Report (including the Remuneration Report) and Auditor's Report for the year ended 30 June 2024 will be laid before the Meeting. A copy of the Company's Annual Report for the year ended 30 June 2024, which includes these reports, is available on the Company's website at <https://asm-au.com> and on ASX's website [www.asx.com.au](http://www.asx.com.au) (Stock Code: ASM).

There is no requirement for Shareholders to approve these reports.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions or make comments about these reports and the management of the Company. Shareholders will also be given a reasonable opportunity to ask the Company's auditor questions about the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

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 the content of the Auditor's Report or the conduct of the audit may be submitted no later than 5 Business Days before the date of the Meeting to the Company Secretary at [CompanySecretary@asm-au.com](mailto:CompanySecretary@asm-au.com) or by email to [info@asm-au.com](mailto:info@asm-au.com).

---

## 3 RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

The Remuneration Report forms part of the Directors' Report in the Company's Annual Report. Section 250R(2) of the Corporations Act requires the Company to put the Remuneration Report to the vote of Shareholders.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors or the Company. However, the outcome of the vote and discussion will be considered by ASM's Remuneration Committee and Nomination Committee when evaluating the remuneration arrangements of the Company in the future. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

The Remuneration Report of the Company for the period ended 30 June 2024 is set out in the Company's Annual Report which is available on the Company's website at <https://asm-au.com/>. The Remuneration Report includes information about the principles used to determine the nature and amount of remuneration and sets out the remuneration arrangements for each Director and member of Key Management Personnel.

As set out in the Remuneration Report, in determining executive remuneration, the Board aims to ensure that remuneration practices:

- (a) are competitive and reasonable, enabling the Company to attract and retain key talent while building a diverse, sustainable and high achieving workforce;
- (b) are aligned to the Company's strategic and business objectives and the creation of Shareholder value;
- (c) promote a high performance culture recognising that leadership at all levels is a critical element in this regard;
- (d) are transparent; and
- (e) are acceptable to Shareholders.

Further details regarding ASM's remuneration policy and structure as to executive and non-executive remuneration are set out in the Annual Report.

Shareholders will be given a reasonable opportunity to ask questions about, or comment on, the Remuneration Report at the Meeting.

If at least 25% of the votes on Resolution 1 are voted against adoption of the Remuneration Report at the Meeting, and then again at the Company's 2025 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of the Directors other than the Managing Director of the Company (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the Company's 2025 annual general meeting. All of the Directors who are in office when the Company's 2025 Directors' Report is 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 is approved will be the directors of the Company.

The Chair intends to exercise all available undirected proxies in favour of Resolution 1.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form (or using the online lodgement facility to complete the Proxy Form), you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Directors abstain, in the interests of good corporate governance, from making a recommendation in relation to Resolution 1.

---

## **4 RESOLUTION 2: RE-ELECTION OF DIRECTOR – MR NICHOLAS EARNER**

### **4.1 General**

Rule 3.6(a) of the Constitution and Listing Rule 14.4 require (in summary) that a Director must retire from office at the third annual general meeting after the Director was elected or last re-elected (other than the Managing Director). Rule 3.4 of the Constitution provides (in summary) that, subject to the Constitution, section 201E and to the number of Directors for the time being fixed under rule 3.1 not being exceeded, the Company may elect Directors by ordinary resolution.

Mr Earner was last elected as a Director at the Company's 2021 annual general meeting. In accordance with the Constitution and the Listing Rules, Mr Nicholas Earner retires as a Director of the Company and, being eligible, offers himself for re-election.

Mr Earner was first appointed as a Director on 1 September 2017. Mr Earner is a chemical engineer and graduate of University of Queensland with 30 years' experience in technical and operational optimisation and management and has held a number of executive roles in mining and processing. Mr Earner is currently the Managing Director of Alkane Resource Ltd, having previously been employed as Alkane's Chief Operations Officer. Mr Earner's previous employment includes roles at Straits Resources, Rio Tinto and BHP/WMC Olympic Dam. Mr Earner's eight years at Olympic Dam included roles managing the Concentrator and Hydromet functions which included substantial milling, leaching and solvent extraction circuits.

Mr Earner has been a Director of ASM since 2017 and is a member of ASM's Audit Committee, Risk Committee, Remuneration Committee and Nomination Committee and is considered as an independent director. The number of securities in the Company held by Mr Earner and his related parties are 171,526 Shares and 4,184 quoted Options.

Current listed Directorships also include Managing Director of Alkane Resources Ltd (since 2017). Past listed Directorships (previous three years) include Non-Executive Director of Genesis Minerals Ltd (2019 to 2021).

The Company notes that it is currently engaged in a process to recruit an additional non-executive director to the Board. If a suitable candidate is identified and appointed, the Company and Mr Earner will re-assess the composition of the Board and continuing engagement.

If Resolution 2 is passed, Mr Earner will be re-elected as a Director.

If Resolution 2 is not passed, Mr Earner will cease to be a Director at the end of the Meeting.

Resolution 2 is an ordinary resolution.

The Chair intends to exercise all available undirected proxies in favour of Resolution 2.

### **4.2 Board Recommendation**

The Board (other than Mr Earner) supports the re-election of Mr Earner and unanimously recommends that the Shareholders vote in favour of Resolution 2, as his skills and experience align with the Company's strategic direction.

---

## 5 RESOLUTION 3: RENEWAL OF THE ASM PERFORMANCE RIGHTS PLAN

### 5.1 General

Resolution 3 seeks Shareholder approval, for the purposes of Listing Rule 7.2 (exception 13(b)), section 260C(4) of the Corporations Act and for all other purposes, to approve the renewal of (and the Company's adoption of) the Company's amended short and long term incentive plan (as amended on the terms and conditions in this Explanatory Memorandum and summarised in Schedule 2, being the **ASM Performance Rights Plan** or **Plan**), the grant of any Performance Rights under the ASM Performance Rights Plan and the issue of underlying Shares of such Performance Rights in accordance with the ASM Performance Rights Plan, on the terms and conditions in this Explanatory Memorandum.

A previous performance rights plan was last approved at the 2021 annual general meeting of the Company (**Previous Plan**). The ASM Performance Rights Plan the subject of Resolution 3 is the amended form of that Previous Plan.

The Plan enables the Company (at the Board's discretion) to grant Performance Rights to various personnel, including existing or prospective employees (such as members of the Key Management Personnel), directors, contractors and other service providers of any ASM Group Member (**Eligible Participants**).

The objective of the Plan is to appropriately motivate, retain and reward Eligible Participants for seeking to drive long term growth and performance of the Company by allowing them to participate in equity in the Company and ultimately aligning their interest with that of the Shareholders.

The Board has, with the consent of the holders of existing Performance Rights but conditional upon Resolution 3 being passed approved the Plan, including certain amendments to the Previous Plan (**Plan Amendments**) to (amongst other matters):

- (a) make updates relevant to the introduction of amendments to the Corporations Act (including the introduction of Division 1A of Part 7.12 of the Corporations Act, as modified by ASIC) applying to incentive plans such as the Plan. For example, the limit on the number of securities issuable under the Previous Plan (which was set at 5% of the number of Shares based on a formula) has been removed in the Plan, given that the Plan does not contemplate issues of securities for monetary consideration and the amended Corporations Act provisions do not impose a cap on the number of securities issued under the Plan for no monetary consideration (however, the Listing Rule controls on the number of securities to be issued under the Plan continue to apply to the Plan, as summarised in this Section 5);
- (b) modifying the treatment of Performance Rights in the event of a change of control of the Company, including:
  - (i) clarifying the definition of "Change of Control Event" as (in summary):



- (A) where members of the Company approve a scheme of arrangement (other than a scheme that does not involve a change in the ultimate beneficial ownership of the Company), which will, upon becoming effective, result in any person (either alone or together with its associates) owning 50% or more of the issued Shares;
- (B) where a takeover bid is made to acquire 50% or more of the issued Shares (or such lesser number of Shares that when combined with the Shares that the bidder (together with its associates (if applicable)) already owns will amount to 50% or more of the issued Shares) and the takeover bid becomes unconditional and the bidder (together with its associates (if applicable)) has a relevant interest in 50% or more of the issued Shares;
- (C) any person becomes bound or entitled to acquire Shares under certain compulsory acquisition or compulsory buyout provisions of the Corporations Act, being:
  - 1. section 414 of the Corporations Act; or
  - 2. Chapter 6A of the Corporations Act; or
- (D) any other event determined by the Board in good faith to constitute a "Change of Control Event" for the purposes of the Plan,
 

but, for the avoidance of doubt, does not include any internal reorganisation of the structure, business and/or assets of the ASM Group;
- (ii) providing that if a Change of Control Event occurs or if the Board determines for the purposes of the Plan that a Change of Control Event is likely to occur, then:
  - (A) any vested but unexercised Performance Rights will immediately be deemed to have been exercised into Shares;
  - (B) in relation to any unvested Performance Rights held by an Eligible Participant:
    - 1. the proportion of the Eligible Participant's unvested Performance Rights which reflects the percentage of the performance period for those Performance Rights which has elapsed will immediately vest and will immediately be deemed to have been exercised into Shares (noting that the "performance period" is the period over which the Board ordinarily assesses whether the performance criteria (i.e. vesting hurdles) for those Performance Rights are satisfied); and
    - 2. the Board may determine, in its absolute discretion, the manner in which the balance of the Eligible Participant's unvested Performance Rights will be dealt with; and
  - (iii) if in making its determination (immediately above), the Board does not determine that an otherwise unvested Performance Right vests, it will automatically lapse, unless the Board has determined that it be dealt with in some other manner;
- (c) provide that the Board may (in its absolute discretion) for new issues of Performance Rights which occur after the Plan Amendments are introduced (i.e. not applying to existing Performance Rights on issue at the date of this Notice):
  - (i) alter the categories of participants in the Plan, to comprise Eligible Participants;

- (ii) add the right for the Board to reject an Eligible Participant's application for Performance Rights;
- (iii) apply a restriction period to Shares which may be acquired on exercise of Performance Rights (meaning that during that period there are (unless waived by the Board) restrictions on dealing with, encumbering or transferring the relevant Shares); and
- (iv) specify in the terms of the Performance Rights a fixed expiry date earlier than would otherwise apply under the Plan;
- (d) to permit the Company to withhold or collect from a participant in the Plan such taxes as any ASM Group Member is obliged, or reasonably believes it is obliged, to account for to any taxation authority on behalf of the participant; and
- (e) make minor edits for efficacy and clarification, such as clarifying that no act will be done nor determination made under the Plan where to do so would be a breach of any applicable law (or (whilst the Company is admitted to ASX's official list) the Listing Rules).

A summary of the Plan, which includes the Plan Amendments is detailed in Schedule 2.

Resolution 3 is an ordinary resolution.

The Chair intends to exercise all available undirected proxies in favour of Resolution 3.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 3, by signing and returning the Proxy Form (or using the online lodgement facility to complete the Proxy Form), you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## 5.2 Part 2J.3 of the Corporations Act

Pursuant to section 260A(1) of the Corporations Act, a company may financially assist a person to acquire shares (or units of shares) in the company or a holding company of the company only if:

- (a) giving the assistance does not materially prejudice:
  - (i) the interests of the company or its shareholders; or
  - (ii) the company's ability to pay its creditors; or
- (b) the assistance is approved by shareholders under section 260B of the Corporations Act; or
- (c) the assistance is exempted under section 260C of the Corporations Act.

Relevantly, section 260C(4) of the Corporations Act provides (in summary) that the giving of financial assistance is exempted from section 260A of the Corporations Act if it is given under an employee share scheme that has been approved by a resolution passed at a general meeting of the company. The Plan falls within the definition of an 'employee share scheme' for the purposes of the Corporations Act.

Pursuant to the Plan, there is a possibility of the Company providing financial assistance to acquire Shares. For example, upon the vesting and exercise of Performance Rights, the Company may pay for the

acquisition of Shares on-market, instead of issuing additional Shares, in order to supply the Shares due to the participant under the Plan.

Accordingly, the Company is seeking approval of the Plan for the purposes of section 260C(4) of the Corporations Act. If Shareholders approve Resolution 3, the exemption will only apply where Shares are acquired under or in connection with the operation of the Plan. The exemption will not apply in relation to other acquisitions of Shares.

### 5.3 Listing Rules 7.1 and 7.2, Exception 13(b)

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

Listing Rule 7.2 (exception 13(b)) provides an exception to Listing Rule 7.1. The effect of Shareholder approval under Listing Rule 7.2 (exception 13(b)) is that any grants of Performance Rights (and the underlying Shares) under the Plan are treated as having been made with the approval of Shareholders for the purposes of Listing Rule 7.1. Approval under Listing Rule 7.2 (exception 13(b)) lasts for a period of three years.

Listing Rule (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 3 is passed, the Company will be able to grant Performance Rights (and the underlying Shares) to under the Plan over a period of three years without using up any of the Company's 15% Placement Capacity and without Shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the Company may still grant Performance Rights under the Plan but any issue without Shareholder approval will reduce, to that extent, the Company's 15% Placement Capacity for 12 months following the issue.

### 5.4 Specific information required by Listing Rule 7.2

The following information in relation to Resolution 3 is provided to Shareholders for the purposes of Listing Rule 7.2 (exception 13(b)):

- (a) The material terms of the Plan are summarised in Schedule 2.
- (b) The date of the last Shareholder approval obtained under Listing Rule 7.2, exception 13(b) with respect to the Previous Plan was 30 November 2021.
- (c) Since the approval of the Previous Plan on 30 November 2021, the Company has issued a total of 3,599,202 Performance Rights under the Previous Plan (2,414,785 of which remain on issue as at the date of this Notice). The Company has not offered or issued any Performance Rights pursuant to the Plan as at the date of this Notice.
- (d) The maximum number of Equity Securities proposed to be issued under the Plan within the three year period from the date of the passing of Resolution 3 is 9,065,981 Equity Securities (excluding

Shares issuable upon the exercise of Performance Rights and excluding the proposed issues of Performance Rights pursuant to Resolutions 6 and 7). The maximum number is not intended to be a prediction of the actual number of securities to be issued under the Plan, but instead is simply a ceiling for the purposes of Listing Rule 7.2 (Exception 13(b)).

- (e) A voting exclusion statement is included in the Notice for Resolution 3.

## 5.5 Board Recommendation

Resolution 3 deals with remuneration of various Key Management Personnel, and in light of the provisions in the Corporations Act relating to voting by Key Management Personnel and their Closely Related Parties on such remuneration related resolutions, the Directors have abstained from making a recommendation to Shareholders about how to vote on Resolution 3.

---

# 6 RESOLUTION 4: AMENDMENT OF THE TERMS OF EXISTING PERFORMANCE RIGHTS

## 6.1 General

Resolution 4 seeks Shareholder approval, for the purposes of Listing Rule 6.23.4 (and for all other purposes) to amendments to the terms and conditions of the existing Performance Rights, in accordance with the ASM Performance Rights Plan as amended on the terms and conditions in this Explanatory Memorandum.

The specific amendments proposed to be made (pursuant to Resolution 4) to the terms and conditions of all Performance Rights which are on issue in the Company as at the date of this Notice are the Plan Amendments other than those in Section 5.1(c) (**Existing Rights Amendments**).

If Resolution 4 is passed, the Existing Rights Amendments will apply in relation to all existing Performance Rights on issue in the Company which remain on issue at the time when the Board resolves that those Existing Rights Amendments apply.

Resolution 4 is an ordinary resolution.

The Chair intends to exercise all available undirected proxies in favour of Resolution 4.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 4, by signing and returning the Proxy Form (or using the online lodgement facility to complete the Proxy Form), you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## 6.2 Listing Rule 6.23.4

Listing Rule 6.23.4 states that a change to the terms of options that is not prohibited (under Listing Rule 6.23.3) can only be made if holders of ordinary securities approve the change (and the notice of meeting must include a voting exclusion statement).

The purpose of this Existing Rights Amendments to the terms of the existing Performance Rights is to ensure consistent treatment of those existing Performance Rights on issue and the future Performance Rights to be issued under the Plan, in the application of the Existing Rights Amendments.

If Resolution 4 is passed, the Plan Amendments will apply to the existing Performance Rights detailed in the table below. The table also includes details of which of those securities are held by related parties of the Company.

Class of securities	Number of securities held by non-related parties of the Company	Number of securities held by related parties of the Company
Performance Rights which vested on 30 June 2024 but are unexercised	64,173	0
Performance Rights which vested on 5 July 2024 but are unexercised	0	27,357
Performance Rights vesting on 30 June 2025	103,863	265,390
Performance Rights vesting on 31 December 2025	227,521	0
Performance Rights vesting on 30 June 2026	611,853	443,636
Performance Rights vesting on 5 July 2026	0	27,357
Performance Rights vesting by 30 November 2026	55,399	0
Performance Rights vesting by 30 June 2027	642,950	0

## 6.3 Chapter 2E of the Corporations Act

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

- (a) obtain the approval of its shareholders 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.

“Financial benefit” has a wide meaning and may include making the Existing Rights Amendments to the existing Performance Rights which are currently on issue to Ms Rowena Smith under the Plan.

The Directors (other than Ms Smith, given her personal interest in the potential financial benefit above) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of making the Existing Rights Amendments to Ms Smith's Performance Rights because they (including after those amendments) comprise reasonable remuneration in line with the Existing Rights Amendments proposed to be made to other securities issued, and to be issued, under the Plan.

## **6.4 Board Recommendation**

The Directors (other than Ms Smith, given her personal interest in Resolution 4 arising from her existing holding of Performance Rights) recommends that Shareholders vote in favour of Resolution 4, including to ensure consistent treatment of the existing Performance Rights on issue and the future Performance Rights to be issued under the Plan, in the application of the Existing Rights Amendments.

---

# **7 RESOLUTION 5: APPROVAL OF POTENTIAL TERMINATION BENEFITS AND ENTITLEMENTS**

## **7.1 General**

Resolution 5 seeks Shareholder approval in accordance with Part 2D.2 of the Corporations Act (including sections 200B and 200E of the Corporations Act)), rule 10.5 of the Constitution and for all other purposes, for the Company to give certain termination benefits to any person in connection with that person or someone else ceasing to be a member of the Key Management Personnel, ceasing to hold a managerial or executive office or ceasing to hold a subsequent office, or position of employment, in the Company or a related body corporate.

Under Rule 10.5 of the Constitution, the Company may (subject to Division 2 of Part 2D.2 of the Corporations Act and the Listing Rules) agree to give (and may give) a Director or a person about to become a Director certain benefits in connection with the person's death or them otherwise ceasing to be a Director.

If Shareholder approval is obtained for Resolution 5, it will give the maximum flexibility to provide the benefits detailed in this Notice to any person or persons in connection with Relevant Personnel ceasing to be appointed as Relevant Personnel (subject to the limit in Listing Rule 10.19 (as summarised below) in the absence of any Shareholder approval pursuant to that rule). “Relevant Personnel” (as detailed in Resolution 5) include (among other things) both current and future personnel who hold or have held during the three years prior to cessation of their employment or engagement, a managerial or executive office in the Company or a related body corporate of the Company. The Relevant Personnel also includes Key Management Personnel from time to time.

If Shareholder approval is not obtained for Resolution 5, the Company will not be able to provide termination benefits to any person in connection with a person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company or a subsidiary of the Company to the extent those termination benefits contravene Part 2D.2 of the Corporations Act or Listing Rule 10.19.

Listing Rule 10.19 provides that without approval of shareholders, an entity must ensure that no officer of the entity or any of its Child Entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that are or may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules.

The Chair intends to exercise all available undirected proxies in favour of Resolution 5.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 5, by signing and returning the Proxy Form (or using the online lodgement facility to complete the Proxy Form), you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## 7.2 Part 2D.2 of the Corporations Act

The Corporations Act restricts the benefits which can be given to a person in connection with that person's or someone else's retirement from an office, or position of employment, in the Company or its related bodies corporate if the office or position is a managerial or executive office (as defined in the Corporations Act), or if the retiree held such a managerial or executive office at any time during the last three years.

In accordance with section 200B of the Corporations Act, to give a benefit in connection with a relevant person's retirement from an office, the Company must, subject to various exceptions, obtain the approval of Shareholders in the manner set out in section 200E of the Corporations Act.

A benefit includes (among other things) automatic, or accelerated, vesting of share-based payments for a person or the exercise of discretion to allow a person to maintain a benefit they would not otherwise be entitled to retain, on, or as a result of, retirement from their position (or someone else's retirement from their position) in the Company or its related bodies corporate. A benefit also includes the exercise of a Board discretion to accelerate vesting of share-based payments. Such share-based payments include (without limitation) FY25 STI Performance Rights and LTI Performance Rights which will be issued if Resolutions 6 and 7 are passed, the existing Performance Rights on issue and potential additional Performance Rights which may be issued in future under the Plan which is summarised in Schedule 2 (each of the aforementioned being an **Award**).

## 7.3 Details of benefits for which Shareholder approval is sought

The summary below outlines the key categories of potential termination benefits that may become payable to Relevant Personnel (or payable otherwise in connection with Relevant Personnel ceasing to be appointed as Relevant Personnel) and the types of circumstances in which they may arise. This summary is not intended to provide an exhaustive list of the types of benefits that could become payable in every scenario. The Company is seeking Shareholder approval under Resolution 5 in order to preserve an element of flexibility for the Board to tailor the termination arrangements for Relevant Personnel having regard to (among other things) the circumstances surrounding the cessation of employment or engagement, the Relevant Personnel's employment or consultancy agreement, the terms of any Awards issued under Previous Plan or the Plan and market practice.

Category of benefit	Details of benefit
<b>Awards</b>	The benefits for which approval is sought under Resolution 5 include (among other benefits detailed in this Explanatory Memorandum) those comprised in, arising from,



Category of benefit	Details of benefit
	<p>or relating to, Awards as detailed below, in Sections 5, 6 and 8 and in Schedule 2, Schedule 3 and Schedule 4 (together, the <b>Potential Award Benefits</b>).</p> <p>One of the categories of Potential Award Benefits is benefits that may result from automatic vesting of Awards which are on issue or are to be issued in the future (such as pursuant to Resolutions 6 and 7), for example upon an actual or anticipated change of control event in relation to the Company, or from the Board exercising discretions conferred under the Plan rules. In particular in relation to those discretions for Awards, the Board will have the discretion to determine that, where a participant ceases to be Relevant Personnel before:</p> <ul style="list-style-type: none"> <li>(a) the satisfaction of any exercise conditions attaching to an Award;</li> <li>(b) the vesting of an Award; or</li> <li>(c) any restrictions applying to restricted Shares delivered under the Plan or the Previous Plan have expired,</li> </ul> <p>some or all Awards will not lapse or be forfeited (if they would otherwise lapse or be forfeited) or will vest or that some or all of the vesting conditions and/or the exercise conditions will be waived, or will be exercised or converted into Shares which are issued or transferred to Relevant Personnel or their nominees for some or all of the Awards, or the restricted Shares issued upon exercise of the Awards, cease to be subject to the restrictions, on cessation. These benefits may also be given as automatic events without the need for exercise of Board discretions.</p> <p>In addition, the Board will have discretion to determine that Awards will also not lapse and will not be forfeited after the events in items (a), (b) and/or (c) above are fulfilled (or when any lapsing event or forfeiture event referred to in Schedule 2 occurs) where a participant ceases to be Relevant Personnel.</p> <p>Another one of the Potential Award Benefits for which approval is sought under this Resolution 5 is the potential for Shares to be issued or transferred to Relevant Personnel (or their nominees), upon the exercise or conversion of Awards as a result of the automatic vesting of Awards or the Board exercising a discretion to vest Awards as a termination benefit.</p> <p>The Awards in respect of a Relevant Personnel may vest after that Relevant Personnel ceases to hold their position as a Relevant Personnel, which is also another Potential Award Benefit for which approval is sought under this Resolution 5.</p> <p>Refer to Sections 5, 6 and 8, the ASM Performance Rights Plan summary in Schedule 2 and the terms and conditions of the FY25 STI Performance Rights in Schedule 3 and of the LTI Performance Rights in Schedule 4 for further information in relation to Potential Award Benefits.</p>
<b>Employment / consultancy agreements</b>	<p><b>General</b></p> <p>The benefits for which approval is sought under Resolution 5 include (among other benefits detailed in this Explanatory Memorandum) benefits arising in connection with the employment/consultancy agreements for the Relevant Personnel, such as those detailed below (together, the <b>Potential Agreement Benefits</b>).</p> <p>Employment/consultancy agreements for Relevant Personnel typically provide for notice periods (where the Company or the employee/consultant terminates the</p>



Category of benefit	Details of benefit
	<p>employment or engagement on notice) and allow for payments in lieu of all or part of such notice periods to be paid by the Company to Relevant Personnel (which would be Potential Agreement Benefits). Such payments are ordinarily calculated by reference to the Relevant Personnel's fixed remuneration (including superannuation where applicable).</p> <p>Employment agreements for Relevant Personnel also typically provide for termination payments where the cessation of employment is as a result of redundancy (which would also be a Potential Agreement Benefit).</p> <p><b>Payment in lieu of notice and termination payments</b></p> <p>The employment/consultancy agreements for the Company's Relevant Personnel generally provide for three months' notice (or payment by the Company to the Relevant Personnel in lieu of part or all of the notice period) and a three months' redundancy payment (however those periods can vary).</p> <p>Any payment in lieu of notice or redundancy payment made by the Company will be calculated based on the Relevant Personnel's total remuneration at the date of cessation of employment or engagement. The value of Relevant Personnel's remuneration:</p> <ul style="list-style-type: none"> <li>(a) includes the Relevant Personnel's base salary, the amount of any superannuation/pension contributions paid on the Relevant Personnel's behalf (superannuation contributions are made to a complying superannuation fund); and</li> <li>(b) is reviewed annually having regard to individual performance outcomes, relevant market conditions and other factors, at the Board's absolute discretion.</li> </ul> <p><b>Accrued benefits</b></p> <p>Accrued, but untaken base remuneration, annual leave, long service leave and certain other leave, and reimbursement for incurred expenses will be paid out on cessation of employment or engagement. Leave will be accrued and paid out in accordance with contractual obligations and the law, as well as any applicable corporate group policy.</p> <p>Although genuine accrued benefits payable under a law are excluded from the termination benefits provisions and no Shareholder approval is required to pay such benefits, some Relevant Personnel may accrue benefits under corporate group policy which are in excess of what is strictly required by the law.</p>

Accordingly, for the purposes of section Part 2D.2 of the Corporations Act (including sections 200B and 200E of the Corporations Act) and for all other purposes, Resolution 5 seeks Shareholder approval for all Potential Award Benefits and Potential Agreement Benefits.

If Shareholders approve Resolution 5, it will be effective until the conclusion of the third annual general meeting of the Company after the date on which this Resolution 5 is passed. This means that the approval will be effective (including in relation to all existing and all future Potential Award Benefits (both in relation to existing and future Awards) and Potential Agreement Benefits):

- (a) if any benefit is given or any discretion to give any benefit is exercised (including a Board discretion); and/or

- (b) if any Relevant Personnel ceases to hold the position of Relevant Personnel,

during the period expiring at the conclusion of the 2027 annual general meeting of the Company. If considered appropriate, the Board will seek a new approval from Shareholders at the Company's annual general meeting in 2027.

The Board (excluding Ms Smith, given her personal interest in the Potential Agreement Benefits) has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for giving the Potential Agreement Benefits, as the exception in section 211 of the Corporations Act applies. This is because the Potential Agreement Benefits are considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act.

In the event that any Potential Award Benefit is proposed to be provided to a related party of the Company in future, the Directors who do not have a material personal interest in such Potential Award Benefit will need to determine whether an exception from the requirement for Shareholder approval under Chapter 2E of the Corporations Act applies at that time.

#### **7.4 The amount or value of the potential termination benefits**

The amount or value of the benefits that may be provided to Relevant Personnel (or provided otherwise in connection with Relevant Personnel ceasing to be appointed as Relevant Personnel) in accordance with Resolution 5 cannot be ascertained in advance. However, the manner in which the amount or value of the potential benefits will be calculated, and the matters, events and circumstances that will, or are likely to affect the calculation of that amount or value include:

- (a) the circumstances of, or reasons for the Relevant Personnel, ceasing employment or engagement with the Company or its related bodies corporate and the extent to which they served the applicable notice period;
- (b) the length of service with the Company or its related bodies corporate and performance over that period of time;
- (c) any other factors that the Board determines to be relevant when exercising its discretion to provide Potential Award Benefits and Potential Agreement Benefits;
- (d) the manner in which the Board exercises its discretion at the relevant time;
- (e) any changes in law between the date the Company or any of its related bodies corporate enter or entered into an agreement with Relevant Personnel and the date they cease appointment as Relevant Personnel;
- (f) the Company's policies as applicable at the relevant time; and
- (g) the market practice at the relevant time,

and, in addition to the matters listed above:

- (h) in relation to the Potential Award Benefits:
  - (i) the number of Awards held prior to the Relevant Personnel ceasing employment or engagement with the Company or its related bodies corporate, the outstanding conditions

- (if any) of vesting and exercise of the Awards and the number that the Board determines to (or which automatically) vest, lapse or leave on foot;
- (ii) the Relevant Personnel's (or their nominee's) entitlement to Awards at the time of cessation of employment or engagement and the conditions of such entitlement;
  - (iii) any applicable performance measures and the achievement of such measures (and the personal performance and contributions of the Relevant Personnel);
  - (iv) the portion of any relevant performance periods for Awards that have expired at the time they cease employment or engagement;
  - (v) the length of any restriction period during which Shares issued, or to be issued, following vesting of Awards may not be transferred, and any waiver of such restriction period;
  - (vi) whether Awards are, upon their exercise or conversion, settled via the issue or transfer of Shares;
  - (vii) the market price of the Company's Shares on ASX at the relevant time when the amount or value of any Award is determined, and the terms of those Awards (including performance conditions);
  - (viii) the exercise price of any relevant Awards (if any, noting that there is ordinarily no exercise price for Performance Rights); and
  - (ix) the risk free rate of return in Australia and the estimated volatility of the Company's Shares on ASX at the relevant time; and
- (i) in relation to the Potential Agreement Benefits:
- (i) the amount of annual and other leave accrued by the Relevant Personnel at the time of cessation of employment;
  - (ii) the Relevant Personnel's remuneration at the time of cessation of employment or engagement;
  - (iii) the duration of the notice period (if any) in which the Company pays the Relevant Personnel in lieu of notice; and
  - (iv) the length of service of the Relevant Personnel relevant to the applicable employment or engagement agreement (for example as relevant to determining the amount of redundancy payments).

The Company will calculate the value of the benefit at the relevant time based on the above factors and, in the case of Potential Award Benefits using generally accepted valuation techniques (such as those used below to value the Smith Performance Rights to be granted to Ms Smith (and/or her nominee(s)) under Resolutions 6 and 7).

Other than the information above and otherwise set out in the Notice, the Board believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 5.

## 7.5 Board Recommendation

The Board considers that, given the subject matter of Resolution 5 involves potential personal interests of Directors, it would be inappropriate for the Board to give any voting recommendation with respect to this Resolution 5.

---

# 8 RESOLUTIONS 6 AND 7: ISSUE OF SHORT-TERM AND LONG-TERM PERFORMANCE RIGHTS TO ROWENA SMITH

## 8.1 General

Shareholder approval is sought, pursuant to and in accordance with Listing Rules 7.1 and 10.14, Part 2D.2 of the Corporations Act (including sections 200B and 200E of the Corporations Act) and for all other purposes, for the grant of the following Performance Rights to Rowena Smith, CEO and Managing Director, (and/or her nominee(s)) in accordance with the Plan, as amended (including the issue or transfer of Shares on the vesting and exercise of those Performance Rights):

- (a) **FY25 STI Performance Rights:** pursuant to Resolution 6, 587,952 short-term Performance Rights as an STI award in respect of FY25, subject to the terms and conditions set out in this Explanatory Memorandum (including in Schedule 3) and otherwise in accordance with the Plan (**FY25 STI Performance Rights**); and
- (b) **LTI Performance Rights:** pursuant to Resolution 7, 587,952 long-term Performance Rights as an LTI award in respect of the three year period until FY27 subject to the terms and conditions set out in this Explanatory Memorandum (including in Schedule 4) and otherwise in accordance with the Plan (**LTI Performance Rights**),

(together, the **Smith Performance Rights**).

In line with market practice, performance-based incentive programs form a key component of total remuneration for Ms Smith. A significant portion of total annual remuneration has been placed at-risk to better align Ms Smith's interests with those of Shareholders, to encourage long term sustainable growth and to assist with retention.

Resolutions 6 and 7 are ordinary resolutions. Neither of them is conditional upon each other, nor upon any other Resolution (for example they are not conditional upon approval of Resolution 3 or 4 in relation to the Plan).

The Chair intends to exercise all available proxies in favour of Resolutions 6 and 7.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolutions 6 and 7, by signing and returning the Proxy Form (or using the online lodgement facility to complete the Proxy Form), you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though Resolutions 6 and 7 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## 8.2 FY25 STI Performance Rights (for the Performance Period ending 30 June 2025)

The Board is seeking approval of Shareholders for the issue of 587,952 FY25 STI Performance Rights to Ms Rowena Smith (and/or her nominee(s)) (the subject of Resolution 6) under the Plan. The metrics and weightings chosen for the STI take into account the strategic objectives of the Company for FY25 aligned with Shareholders' interests.

### Calculation of number of FY25 STI Performance Rights to be granted

The number of FY25 STI Performance Rights to be issued to Ms Smith has been calculated as follows:

$$\text{Number of FY25 STI Performance Rights} = \text{Max STI Quantum} / \text{STI FV}$$

Where:

Max STI Quantum = an amount equivalent to 80% of Ms Smith's TFR (being \$488,000).

STI FV = the face value of the FY25 STI Performance Rights set at the 20 trading day VWAP up to 30 June 2024 (being \$0.83) (**FY24 20-Day VWAP**).

The maximum FY25 STI opportunity for Ms Smith is an increase from Ms Smith's FY24 opportunity which was equal to 30% of TFR (on a face value basis). The change in annual incentives was approved by the Board following receipt of market analysis information to align with market practice and encourage executive talent retention.

After the end of the one-year Performance Period (ending on 30 June 2025), the Board will determine the number of FY25 STI Performance Rights to vest based on the performance of the Company against the performance targets set out below (**Vesting STI Performance Rights**). The value of the reward is weighted for achieved outcomes from the Company scorecard assessment as determined by the Board. Full details of the extent to which the performance targets are met, and the proportion of FY25 STI Performance Rights that vest, and that lapse, will be disclosed in the FY25 remuneration report.

Half of the Vesting STI Performance Rights (**Tranche 1 Vested Performance Rights**) will vest as soon as possible after the Board's determination of the Vesting STI Performance Rights. The remaining half of the Vesting STI Performance Rights will vest on the date that is two years following the end of the Performance Period (being 30 June 2027) subject to Ms Smith continuing to be employed by the Company on such date.

Notwithstanding the above, no FY25 STI Performance Rights will be determined to vest if during the Performance Period prior to the vesting of such FY25 STI Performance Rights any of the following occurs:

- (a) a fatality;
- (b) a material adverse ESG event which in the Board's opinion is material; or
- (c) a regulatory breach which in the Board's opinion materially impacts the Company's reputation or license to operate.

Shares issued on exercise of the Tranche 1 Vested Performance Rights will be subject to a Restriction Period (as defined in Schedule 2) until 30 June 2026. During such Restriction Period Ms Smith must not deal with any such Shares unless a Change of Control Event (as defined in Schedule 2) occurs, the Board determines for the purposes of the Plan that a Change of Control Event is likely to occur or the Board

expressly permits Ms Smith to deal with such Shares (as in each of those cases the Restriction Period ceases to apply).

#### Performance Criteria applicable to FY25 STI Performance Rights

Performance Criteria	Weighting	Maximum (100% vesting) <sup>1</sup>
ASM Group Cash Balance at 30 June 2025	25%	>\$30m
Dubbo Project – Develop and progress Rare Earth Option Assessment ( <b>REOA</b> )	30%	REOA completed and BFS commenced
Korean Metals Plant ramp-up – sign offtake contract(s) for alloy and metal products FY25 – FY28	25%	>3,500t total
Dubbo Project – Light rare earth ( <b>LRE</b> ) offtake volume, non-binding commitment agreed	10%	80% of total Dubbo Project LRE tonnes
Sustainalytics rating movement through delivery of ESG improvements	10%	Medium score <=25

1. Achieving lesser outcomes than the maximum (100% vesting) targets triggers vesting of lower percentages of the relevant FY25 STI Performance Rights.

### 8.3 LTI Performance Rights (for the Performance Period ending 30 June 2027)

The Board is seeking approval of Shareholders for the issue of 587,952 LTI Performance Rights to Ms Rowena Smith (and/or her nominee(s)) (the subject of Resolution 7) under the Plan.

#### Calculation of number of LTI Performance Rights to be granted

The number of LTI Performance Rights to be issued to Ms Smith has been calculated as follows:

$$\text{Number of LTI Performance Rights} = \text{Max LTI Quantum} / \text{LTI FV}$$

Where:

Max LTI Quantum = an amount equivalent to 80% of Ms Smith's TFR (being \$488,000).

LTI FV = the face value of the LTI Performance Rights set at the FY24 20-Day VWAP (being \$0.83).

After the end of the three-year Performance Period (ending on 30 June 2027), the Board will determine the number of LTI Performance Rights to vest based on the performance of the Company against the performance target set out below. Full details of the extent to which the performance target is met, and the proportion of LTI Performance Rights that vest, and that lapse, will be disclosed in the FY27 remuneration report.

Notwithstanding the above, no LTI Performance Rights will be determined to vest if during the Performance Period prior to the vesting of such LTI Performance Rights any of the following occurs:

- (a) a fatality;
- (b) a material adverse ESG event which in the Board's opinion is material; or

- (c) a regulatory breach which in the Board's opinion materially impacts the Company's reputation or license to operate.

#### Performance Criteria applicable to LTI Performance Rights

Starting Share Price	Threshold Share Price (VWAP calculated over the 20 Trading Days up to and including 30 June 2027) 0% vesting	Stretch Share Price (VWAP calculated over the 20 Trading Days up to and including 30 June 2027) 100% vesting
\$0.83	\$1.26	>=\$2.53

The Starting Share Price of \$0.83 is the 20-day VWAP of Shares as at 30 June 2024 (rounded to two decimal places). The number of LTI Performance Rights to vest will be determined as per the table above using the VWAP calculated over the 20 Trading Days up to and including 30 June 2027 (**Achieved Share Price**). For example, if the Achieved Share Price is \$2.00, the number of LTI Performance Rights to vest, subject to the determination and discretion of the Board, will be 342,586 LTI Performance Rights.

## 8.4 Listing Rule 7.1

A summary of Listing Rule 7.1 is contained in Section 5.3.

The reason why Listing Rule 7.1 approval is being sought in addition to Listing Rule 10.14 approval for Resolutions 6 and 7 is that (notwithstanding the application of Listing Rule 7.2 Exception 14 to issues approved under Listing Rule 10.14), approval under Listing Rule 7.1 is required in order for any Shares to be issued upon exercise of the Smith Performance Rights the subject of Resolutions 6 and 7 within the twelve months after their issue to immediately count towards the baseline (Variable "A") from which the 15% Placement Capacity is calculated. Consequently, by also seeking Shareholder approval under Listing Rule 7.1, to the extent that Resolution 6 and 7 are passed those Shares would expand the available 15% Placement Capacity.

## 8.5 Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire securities under an employee incentive scheme without the approval of shareholders:

- 10.14.1 a director of the company;
- 10.14.2 an associate of a director of the company; or
- 10.14.3 a person whose relationship with the entity or a person referred to in rule 10.14.1 or 10.14.2 above is such that, in ASX's opinion, the acquisition should be approved by its shareholders.

The grant of the Smith Performance Rights under the Plan to Ms Smith (and/or her nominee(s)) falls within Listing Rule 10.14.1, as Ms Smith is a Director of the Company and the approval of the Shareholders under Listing Rule 10.14 is required.



## 8.6 Technical information required by Listing Rule 14.1A

If Resolutions 6 and 7 are passed, the Company will be able to proceed with the grant of the Smith Performance Rights to Ms Smith (and/or her nominee(s)) under the Plan no later than three years after the Meeting (or such longer period of time as ASX may in its discretion allow).

To the extent Resolution 6 and/or 7 are not passed, the Company will not be able to issue the Smith Performance Rights under the particular Resolution(s) which is not passed, and the Company may consider alternative arrangements to ensure that Ms Smith's remuneration package remains competitive and provides an incentive to deliver on the performance targets set by the Board.

Resolutions 6 and 7 are ordinary resolutions, requiring them to be passed by a simple majority of votes cast by the Shareholders entitled to vote on them.

## 8.7 Specific Information Required by Listing Rules 7.3 and 10.15

In accordance with Listing Rules 7.3 and 10.15, the Company provides the following information:

- (a) the Smith Performance Rights will be granted to Ms Smith (and/or her nominee(s)) under the Plan;
- (b) Ms Smith falls within the category in Listing Rule 10.14.1, as she is a Director of the Company and any party she nominates to receive Smith Performance Rights would be expected to fall within the category in Listing Rule 10.14.2 as an associate of Ms Smith;
- (c) the maximum number of Smith Performance Rights to be granted to Ms Smith (and/or her nominee(s)) under Resolutions 6 and 7 are as follows:
  - (i) 587,952 FY25 STI Performance Rights pursuant to Resolution 6; and
  - (ii) 587,952 LTI Performance Rights pursuant to Resolution 7;
- (d) details of Ms Smith's current total remuneration package as Managing Director and CEO of the Company is detailed below (inclusive of the Smith Performance Rights):

Director	Total Fixed Remuneration (inclusive of superannuation)	Short Term Incentive	Long Term Incentive
Ms R Smith	\$610,000	80% of Total Fixed Remuneration at maximum	80% of Total Fixed Remuneration at maximum

- (e) as the Plan has not been approved by Shareholders before, Ms Smith (and/or her nominee(s)) has not previously been issued securities pursuant to the Plan. Ms Smith has previously been issued 1,022,367 Performance Rights under previous versions of the Plan (including the Previous Plan) of which as at 30 June 2024, 763,740 were still on issue. No acquisition price was paid for those existing Performance Rights;
- (f) a summary of the material terms of FY25 STI Performance Rights are provided in Schedule 3 and a summary of the material terms of the LTI Performance Rights are detailed in Schedule 4. Refer



also to Schedule 2, which provides a summary of the Plan pursuant to which the Smith Performance Rights are proposed to be granted and which applies to the Smith Performance Rights. A copy of the Plan can be obtained by contacting the Company;

- (g) the Smith Performance Rights are proposed to be issued to incentivise the future performance and service of Ms Smith, to preserve the Company's cash resources and to align her interests with Shareholders, consistently with the strategic goals and targets of the Company. This is primarily why the Smith Performance Rights were chosen as the type of security to be offered to Ms Smith;
- (h) the indicative values which the Company attributes to the Smith Performance Rights as at 1 October 2024 are provided below:

	<b>Fair value per one Performance Right</b>	<b>Total fair value of Performance Rights proposed to be issued</b>	<b>Valuation is performed using the following valuation method</b>
FY25 STI Performance Rights	\$0.570	\$335,133	Binominal tree
LTI Performance Rights	\$0.205	\$120,530	Monte Carlo simulation
<b>Total</b>		<b>\$455,663</b>	

The Company obtained an independent valuation of the fair value of FY25 STI Performance Rights and the LTI Performance Rights proposed to be granted.

The key assumptions underlying the valuation are as follows:

	<b>LTI Performance Rights</b>	<b>FY25 STI Performance Rights</b>	
<b>Illustrative valuation date</b>	1 October 2024	1 October 2024	
<b>Testing date</b>	30 June 2027	30 June 2025	
<b>Vesting date</b>	30 June 2027	30 June 2025 (for half of the FY25 STI Performance Rights)	30 June 2027 (for the other half of the FY25 STI Performance Rights)
<b>Share price at the illustrative valuation date</b>	\$0.57	\$0.57	\$0.57
<b>Expected life</b>	2.7 years	0.7 years	2.7 years
<b>Volatility</b>	70%	70%	70%
<b>Risk free interest rate</b>	3.53%	4.00%	3.53%
<b>Dividend yield</b>	0%	0%	0%

- (i) the Smith Performance Rights will have nil issue price, and no funds will be raised by the issue, exercise or conversion of the Smith Performance Rights, as they will be issued for nil cash consideration (as part of Ms Smith's remuneration for her services to the Company) and no exercise price is payable in order to convert them into Shares, in accordance with their respective terms and conditions following their vesting;
- (j) the number of FY25 STI Performance Rights proposed for grant in Resolution 6 was calculated on 1 July 2024, with Ms Smith entitled to receive an additional 80% of her salary in value in FY25 STI Performance Rights. The calculation was determined based on the 20 trading day VWAP up to 30 June 2024;

- (k) the number of LTI Performance Rights proposed for grant in Resolution 7 was calculated on 1 July 2024, with Ms Smith entitled to receive an additional 80% of her salary in value in LTI Performance Rights. The calculation was determined based on the 20 trading day VWAP up to 30 June 2024;
- (l) the Smith Performance Rights will be granted to Ms Smith (and/or her nominee(s)) under the Plan no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (m) no loan will be provided by the Company in relation to the grant of the Smith Performance Rights (including any Shares issued on the vesting and exercise of those Performance Rights) to Ms Smith;
- (n) details of any securities issued under the Plan will be published in the annual report of the Company for the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (o) any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after Resolutions 6 and 7 are approved and who are not named in the Notice will not participate until approval is obtained under that rule; and
- (p) a voting exclusion statement is included in the Notice for Resolutions 6 and 7.

## 8.8 Chapter 2E of the Corporations Act

Refer to Section 6.3 for a summary of Chapter 2E of the Corporations Act.

For the purposes of Chapter 2E, Ms Smith, being the Managing Director, is a "related party" of the Company and the grant of the Smith Performance Rights (including the Shares issuable or transferable upon the vesting and exercise of those Performance Rights) will constitute the giving of "financial benefits".

The Board (other than Ms Smith in respect of Resolutions 6 and 7) considers that the grant of the Smith Performance Rights (including the allocation of Shares on the vesting and exercise of those Performance Rights) to Ms Smith (and/or her nominee(s)) is an appropriate and reasonable component of her remuneration, and that the financial benefit represented by the grant of the Smith Performance Rights (including the allocation of Shares on the vesting and exercise of those Performance Rights) falls within the "reasonable remuneration" exception in section 211 of the Corporations Act. For this reason, the Company is not seeking Shareholder approval of Resolutions 6 and 7 for the purposes of Chapter 2E of the Corporations Act.

## 8.9 Part 2D.2 of the Corporations Act of the Corporations Act

The Smith Performance Rights proposed to be issued pursuant to Resolutions 6 and 7 may, automatically or subject to the Board's discretion, vest (and become converted, or exercisable, into Shares for nil consideration) upon cessation of Ms Smith's employment or other engagement with the Company (or the Company's group). The Board has formed the view that, should this occur, the affected Smith Performance Rights may constitute a benefit in connection with Ms Smith's retirement from office under section 200B of the Corporations Act.

Section 200B of the Corporations Act applies to Ms Smith, given she holds managerial or executive offices in the Company and potential termination benefits are proposed to be given to her. The Company is

therefore seeking Shareholder approval under section 200B of the Corporations Act in connection with potential vesting of the Smith Performance Rights proposed to be issued pursuant to Resolutions 6 and 7.

Approval is also sought (pursuant to Resolutions 6 and 7) in relation to other Potential Award Benefits (see Section 7.3) which may eventuate in relation to the Smith Performance Rights proposed to be issued to Ms Smith (and/or her nominee(s)) pursuant to Resolutions 6 and 7.

Refer to Section 7.2 for further information on section 200B of the Corporations Act.

## **8.10 Specific Information Required by Section 200E of the Corporations Act**

The following additional information is provided for the purposes of obtaining Shareholder approval for the purposes of section 200E of the Corporations Act:

- (a) The amount or value of the benefit relating to the Smith Performance Rights pursuant to Resolutions 6 and 7 to be held by Ms Smith (and/or her nominee(s)) which may arise in connection with her retirement from managerial or executive office cannot presently be ascertained. However, matters, events and circumstances that will, or are likely to affect the calculation of that amount or value include:
  - (i) the number of Smith Performance Rights held prior to ceasing employment or engagement with the Company (or the Company's group);
  - (ii) the outstanding conditions (if any) of vesting and exercise of the Smith Performance Rights and the number that the Board determines to (or which automatically) vest, lapse or leave on foot;
  - (iii) the applicable performance measures and the achievement of such measures (and the personal performance of Ms Smith);
  - (iv) the portion of the relevant Performance Periods for the Smith Performance Rights that have expired at the time when Ms Smith ceases employment or engagement with the Company (or the Company's group);
  - (v) the length of the Restriction Period applicable to Shares issued on exercise of the Tranche 1 Vested Performance Rights and any waiver of that Restriction Period which occurs automatically or as a result of the exercise of the Board's discretion (refer to the Restriction Period detailed in Section 8.2 and the summary of the Plan in Schedule 2);
  - (vi) the circumstances of, or reasons for, Ms Smith ceasing employment or engagement with the Company (or the Company's group) and the extent to which she served the applicable notice period;
  - (vii) Ms Smith's length of service with the Company (or the Company's group) and performance over that period of time;
  - (viii) any other factors that the Board determines to be relevant when exercising its discretion to provide Potential Award Benefits to Ms Smith (and/or her nominee(s));
  - (ix) the market price of the Company's Shares on ASX at the relevant time when the amount or value of the Smith Performance Rights is determined;

- (x) whether Smith Performance Rights are, upon their exercise or conversion, settled via the issue or transfer of Shares;
  - (xi) any changes in law; and
  - (xii) the risk free rate of return in Australia and the estimated volatility of the Company's Shares on ASX at the relevant time.
- (b) The Company will calculate the value of the benefit at the relevant time based on the above factors and using generally accepted valuation techniques such as those in Section 8.7(h) for the Smith Performance Rights to value the Smith Performance Rights.

#### 8.11 Board Recommendation

Based on the information available, including the information contained in this Explanatory Memorandum, the Board (excluding Ms Smith) considers that Resolutions 6 and 7 are in the best interests of the Company, as the issue of the Smith Performance Rights will align Ms Smith's rewards with the long-term creation of value for Shareholders. The Directors (other than Ms Smith because of her interest in this Resolution) unanimously recommend that Shareholders vote in favour of Resolutions 6 and 7.

As Ms Smith has an interest in the outcome of Resolutions 6 and 7, she makes no recommendation to Shareholders as to how to vote on these Resolutions.

---

## 9 RESOLUTION 8: APPROVAL OF 10% ADDITIONAL PLACEMENT CAPACITY

### 9.1 General

As noted in Section 5.3, broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Listing Rule 7.1A enables eligible entities to issue Equity Securities of up to 10% of its issued share capital through placements over a 12-month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% Placement Capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$102.5 million (as at 8 October 2024).

Pursuant to Resolution 8, the Company is seeking Shareholder approval by way of a special resolution for the Company to have the ability to issue Equity Securities under the 10% Placement Facility without further Shareholder approval. The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.

If Resolution 8 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 8 is not passed, the Company will not be able to access the 10% Placement Facility to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

Resolution 8 is a special resolution and therefore requires approval of at least 75% of the votes cast by Shareholders entitled to vote on Resolution 8.

The Chair intends to exercise all available undirected proxies in favour of Resolution 8.

## 9.2 Listing Rule 7.1A

### (a) Shareholder approval

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

### (b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the company.

The Company, as at the date of the Notice, has on issue two quoted classes of Equity Securities, being Shares and quoted Options (which have an exercise price of A\$1.74 per Option and an expiry date of 31 October 2027).

### (c) Formula for calculating 10% Placement Facility

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

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

Where:

- A is the number of fully paid ordinary securities on issue 12 months before the date of issue or agreement:
  - (i) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2 (other than exception 9, 16 or 17),
  - (ii) plus the number of fully paid ordinary securities issued in the 12 months on the conversion of convertible securities within rule 7.2 (exception 9) where:
    - (A) the convertible securities were issued or agreed to be issued before the commencement of the 12 months; or
    - (B) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4,
  - (iii) plus the number of fully paid ordinary securities issued in the 12 months under an agreement to issue securities within Listing Rule 7.2 (exception 16) where:

- (A) the agreement was entered into before the commencement of the relevant period; or
- (B) the agreement or issue was approved or taken under the Listing Rules to have been approved under Listing Rule 7.1 or Listing Rule 7.4,
- (iv) plus the number of any other fully paid ordinary securities issued in the 12 months with approval under Listing Rule 7.1 or Listing Rule 7.4 (noting that this may include fully paid ordinary securities issued in the 12 months under an agreement to issue securities within Listing Rule 7.2 (exception 17) where the issue is subsequently approved under Listing Rule 7.1),
- (v) plus the number of partly paid ordinary securities that became fully paid in the 12 months,
- (vi) less the number of fully paid ordinary securities cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% Placement Capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months where the issue or agreement to issue has not been subsequently approved by Shareholders under Listing Rule 7.4.

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

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

The number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A (if Resolution 8 is approved) will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section (c) above).

**(e) Minimum Issue Price**

The issue price of Equity Securities to be issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) immediately above, the date on which the Equity Securities are issued.

**(f) 10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained;

- (ii) the time and date of the entity's next annual general meeting;
- (iii) the time and date of Shareholder approval of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking),

(the **10% Placement Period**).

### 9.3 Effect of Resolution 8

The effect of Resolution 8 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% Placement Capacity under Listing Rule 7.1.

### 9.4 Specific information required by Listing Rule 7.3A

Pursuant to, and in accordance with, Listing Rule 7.3A, information is provided as follows:

<b>Shareholder approval expiry</b>	The 10% Placement Facility under Resolution 8 will be valid (if that Resolution is passed) during the 10% Placement Period as detailed in Section 9.2(f).
<b>Minimum issue price</b>	<p>The Equity Securities under the 10% Placement Facility will be issued at an issue price of not less than 75% of the VWAP for the same class of the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:</p> <ul style="list-style-type: none"> <li>(a) the date on which the price at which the Equity Securities are to be issued is agreed; or</li> <li>(b) if the Equity Securities are not issued within 10 Trading Days of the date in the paragraph immediately above, the date on which the Equity Securities are issued.</li> </ul>
<b>Indicative use of funds</b>	The Company may seek to issue the Equity Securities for cash consideration, which may be utilised for one or more of funding continued exploration or development expenditure on the Company's current assets, one or more acquisitions of new projects, companies, other assets or investments (including expenses associated with such acquisitions) and/or general working capital.
<b>Risk of dilution</b>	<p>If Resolution 8 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the table in Schedule 5 (in the case of listed Options, if the listed Options are exercised).</p> <p>There is a risk of economic and voting dilution to the Shareholders, including that:</p> <ul style="list-style-type: none"> <li>(a) the market price for the Company's Equity Securities in that class may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and</li> <li>(b) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.</li> </ul> <p>The table in Schedule 5 shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of Shares for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.</p>



	<p>The table also shows:</p> <p>(a) two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and</p> <p>(b) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.</p>
<b>Listing Rules disclosures</b>	The Company will comply with its disclosure obligations under Listing Rules 7.1A.4, 2.7 and 3.10.3 in relation to any issue of securities under the 10% Placement Facility.
<b>Allocation policy</b>	<p>The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of subscribers for Equity Securities pursuant to the 10% Placement Facility will be determined on a case-by-case basis having regard to factors including but not limited to the following:</p> <p>(a) the purpose of the issue;</p> <p>(b) the methods of raising funds that are available to the Company, including (but not limited to) rights issues or other issues in which existing security holders can participate;</p> <p>(c) the effect of the issue of the Equity Securities on the control of the Company;</p> <p>(d) the financial situation and solvency of the Company;</p> <p>(e) prevailing market conditions; and</p> <p>(f) advice from corporate, financial and broking advisers (if applicable).</p> <p>As at the date of this Notice, the subscribers under the 10% Placement Facility have not been determined. They may, however, include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company and are likely to be sophisticated and/or professional investors.</p>
<b>Utilisation in the preceding 12 months</b>	ASM has not previously obtained Shareholder approval under Listing Rule 7.1A to issue Equity Securities. Accordingly, the Company has not previously issued, nor agreed to issue, any Equity Securities pursuant to Listing Rule 7.1A.2 (including during the 12 months preceding the date of the Meeting).
<b>Voting exclusion statement</b>	A voting exclusion statement is included in the Notice for Resolution 8. However, as at the date of this Notice, the Company has not invited any investor to participate in any proposed issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders are anticipated to be excluded from voting on this Resolution.

## 9.5 Board recommendation

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



## Schedule 1 – DEFINITIONS AND INTERPRETATION

---

In this document, the following terms have the following meanings unless the context otherwise requires:

**\$ or A\$** means Australian **dollars**.

**10% Placement Facility** has the meaning given in Section 9.1.

**10% Placement Period** has the meaning given in Section 9.2(f).

**15% Placement Capacity** has the meaning given in Section 5.3.

**Achieved Share Price** has the meaning given in Section 8.3.

**Annual General Meeting** or **Meeting** means the annual general meeting of Shareholders to be held as an in-person meeting for the purposes of considering the Resolutions.

**Annual Report** means the Directors' Report, the Financial Report and Auditor's Report, in respect of the financial year ended 30 June 2024.

**ASIC** means the Australian Securities and Investments Commission.

**ASM Group** means the Company and its subsidiaries (as defined in the Corporations Act).

**ASM Group Member** means a member of the ASM Group.

**ASM Performance Rights Plan** or **Plan** refers to the ASM Performance Rights Plan, which is summarised in Schedule 2.

**Auditor's Report** means the auditor's report on the Financial Report.

**Award** has the meaning given in Section 7.2.

**AWST** means Australian Western Standard Time (Perth time).

**ASX** means ASX Limited (ABN 98 008 624 691) or the financial market conducted by it (the Australian Securities Exchange), as the context requires.

**Board** means the board of Directors of the Company.

**Chair** means the chair of the Meeting.

**Change of Control Event** has the meaning given in Section 5.1(b).

**Child Entity** means an entity which is controlled by, or a subsidiary of, the Company.

**Closely Related Party** has the meaning given to that term in the Corporations Act.

**Company** or **ASM** means Australian Strategic Materials Ltd ACN 168 368 401.

**Constitution** means the existing constitution of the Company adopted in 2022.

**Corporations Act** means the *Corporations Act 2001* (Cth), as amended.

**Director** means a director of the Company.

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

**Eligible Participants** has the meaning given in Section 5.1.

**Equity Security** has the meaning given to that term in Chapter 19 of the Listing Rules.

**Existing Rights Amendments** has the meaning given in Section 6.1.

**Explanatory Memorandum** means this explanatory memorandum, which forms part of the Notice.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**FY24 20-Day VWAP** has the meaning given in Section 8.2.

**FY25 STI Performance Rights** has the meaning given in Section 8.1.

**Key Management Personnel** 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 the ASX.

**LTI** means long term incentive.

**LTI Performance Rights** has the meaning given in Section 8.1.

**Notice or Notice of Meeting** means this notice of annual general meeting and includes the business of the annual general meeting, the Explanatory Memorandum, the Schedules and the Proxy Form.

**Option** means an option to acquire a Share.

**Participant** has the meaning given in Schedule 2.

**Performance Criteria** means, in relation to a Performance Right, the performance criteria determined by the Board which must be satisfied before a Performance Right (or a specified number or percentage of Performance Rights granted) can vest, subject to any adjustments under the ASM Performance Rights Plan.

**Performance Period** means, in relation to a Performance Right, the period determined by the Board over which the Board will assess whether the Performance Criteria attaching to the Performance Right have been satisfied.

**Performance Right** means a right granted under the Plan (or under a previous version of the Plan (including the Previous Plan)) to acquire a Share (subject to any adjustments under, and subject to the other terms of, the Plan and the terms of issue of the right).

**Potential Agreement Benefits** has the meaning given in Section 7.3.

**Potential Award Benefits** has the meaning given in Section 7.3.

**Plan Amendments** has the meaning given in Section 5.1.

**Previous Plan** has the meaning given in Section 5.1.

**Proxy Form** means the proxy form attached to, and forming part of, the Notice.

**Relevant Personnel** has the meaning given in Resolution 5.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolution** means a resolution contained in the Notice.

**Section** means a section of this Explanatory Memorandum.

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

**Share Registry** means the Company's share registry, being Automic Pty Ltd.

**Shareholder** means a holder of one or more Shares.

**Smith Performance Rights** has the meaning given in Section 8.1.

**Spill Meeting** has the meaning given in Section 3.

**Spill Resolution** has the meaning given in Section 3.

**Starting Share Price** means \$0.83.

**STI** means short term incentive.

**TFR** means total fixed remuneration.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**Tranche 1 Vested Performance Rights** has the meaning given in Section 8.2.

**VWAP** means the volume weighted average market price (as defined in the Listing Rules).

## Schedule 2 – SUMMARY OF THE ASM PERFORMANCE RIGHTS PLAN

The key terms of the ASM Performance Rights Plan (**Plan**) are summarised below.

The Plan provides "Employees" (as defined below) chosen by the Board with the opportunity to receive Performance Rights for no consideration, as determined in the Board's absolute discretion. The key features of the Plan are set out below.

### Purpose and term

- 1 The Plan was established to assist in the recruitment, reward, retention, and motivation of Employees.
- 2 Under the Plan the Board may grant Performance Rights to Employees on terms fixed in accordance with the Plan.
- 3 The Plan continues in operation until the Board decides to end it.

### Definitions

- 4 For the purposes of the Plan:

**ASM Group** means the Company and its subsidiaries (as defined in the Corporations Act).

**ASM Group Member** means a member of the ASM Group.

**Associate** has the same meaning given to that term in section 12 of the Corporations Act.

**Certificate** means a certificate setting out the number of Performance Rights which a Participant has been granted.

**Change of Control Event** means:

- (a) where members of the Company approve any compromise or arrangement for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with, or complete or partial acquisition by, any other body corporate or bodies corporate (other than a scheme that does not involve a change in the ultimate beneficial ownership of the Company), which will, upon becoming effective, result in any person (either alone or together with its Associates) owning 50% or more of the issued Shares;
- (b) where a Takeover Bid is made to acquire 50% or more of the issued Shares (or such lesser number of Shares that when combined with the Shares that the bidder (together with its Associates (if applicable)) already owns will amount to 50% or more of the issued Shares) and the Takeover Bid becomes unconditional and the bidder (together with its Associates (if applicable)) has a Relevant Interest in 50% or more of the issued Shares;
- (c) any person becomes bound or entitled to acquire Shares under:
  - (i) section 414 of the Corporations Act; or
  - (ii) Chapter 6A of the Corporations Act; or
  - (iii) any other event determined by the Board in good faith to constitute a "Change of Control Event" for the purposes of the Plan,

but, for the avoidance of doubt, does not include any internal reorganisation of the structure, business and/or assets of the ASM Group.

**Employee** means:

- (a) an employee of an ASM Group Member;
- (b) an individual who provides services to an ASM Group Member (which individual may, but need not be, an employee of an ASM Group Member);
- (c) a director of an ASM Group Member (which director may, but need not be, an employee of an ASM Group Member); or
- (d) a prospective person to whom subparagraph (a), (b) or (c) (immediately above) may apply.

**Holding Lock** has the meaning given by section 2 of the ASX Settlement Operating Rules of ASX Settlement Pty Limited.

**Participant** means any Employee who the Board has decided under paragraph 5 is eligible to participate in the Plan and who receives an invitation under paragraph 6 and applies for, and is granted, Performance Rights under the Plan.

**Qualifying Reason** means:

- (a) the death, Total and Permanent Disablement or Retirement of the Participant, as determined by the Board in its absolute discretion;
- (b) the Participant ceasing to be an Employee as a result of the relevant body corporate ceasing to be an ASM Group Member, or as a result of an ASM Group Member selling a business it conducts to someone other than to another ASM Group Member; or
- (c) any other reason as determined by the Board in its absolute discretion.

**Relevant Interest** has the meaning given to that term in the Corporations Act.

**Relevant Proportion** means, in relation to unvested Performance Rights, the proportion (expressed as a percentage) of the Performance Period in relation to those Performance Rights that will have elapsed on the date when the Change of Control Event (or the anticipated date of the Change of Control Event) occurs, as determined by the Board acting reasonably.

**Remaining Proportion** means the amount (expressed as a percentage) calculated by subtracting the Relevant Proportion from 100%.

**Restriction Period** means, in respect of a Share issued or transferred pursuant to the exercise of a Performance Right, the period (if any) set out in the invitation made under the Plan, during which there are restrictions on dealing with or transferring the relevant Share.

**Retirement** means, in relation to a Participant, the retirement by the Participant from their role as an Employee at age 65 or over.

**Security Interest** means a mortgage, charge, pledge, lien or other encumbrance of any nature.

**Takeover Bid** means a takeover bid as defined in section 9 of the Corporations Act.

**Taxes** means any tax, levy, contribution or duty (including any associated penalty or interest amount), social security liability or other liability imposed by any law, governmental, semi-governmental, judicial or other authority.

**Total and Permanent Disablement** means, in relation to an Employee, that the Employee has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Employee unlikely ever to engage in any occupation for which he or she is reasonably qualified by education, training or experience.

### **Participation**

- 5 The Board may from time to time in its sole and absolute discretion decide that an Employee is eligible to participate in the Plan.
- 6 The Board may from time to time invite an Employee to apply for Performance Rights.
- 7 An Employee who is invited to participate in the Plan will receive a written invitation to that effect.

### **Performance Rights**

- 8 Each Performance Right will represent a right to acquire one Share, subject to the terms of the Plan (which Share may be provided by the Company issuing, or causing the transfer of, the Share to the Participant or his or her personal representative (as the case may be)).
- 9 A Performance Right granted to a Participant under the Plan is granted for no cash consideration. If Performance Rights vest under the Plan, no amount is payable by a Participant in respect of those Performance Rights vesting, or the subsequent issue or transfer of Shares in respect of them.
- 10 A Participant does not have a legal or beneficial interest in any Share by virtue of acquiring or holding a Performance Right. A Participant's rights under a Performance Right are purely contractual and personal. In particular, a Participant is not entitled to participate in or receive any dividends or other shareholder benefits until the Performance Right has vested and a Share has been issued or transferred to the Participant.
- 11 Performance Rights will not be quoted on ASX. Provided that other Shares are quoted on ASX at the time, the Company will apply to ASX for quotation of Shares issued on exercise of Performance Rights as soon as reasonably practicable after the issue of those Shares.
- 12 Any Share issued or transferred to a Participant upon vesting of a Performance Right, will be subject to the Constitution and will rank equally in every way (including for dividends for which the record date is after the date of issue or transfer) with other Shares then on issue.

### **Performance Criteria and Performance Period**

- 13 The Board may at its sole discretion determine the number of Performance Rights an Employee is invited to apply for and the Performance Criteria and Performance Period which will apply to any Performance Rights. The Performance Criteria will specify the criteria that the Participant is required to meet in the specified Performance Period (if any) for Performance Rights to vest to become entitled to receive Shares under the Plan.
- 14 The Board will determine in its sole discretion whether (and, where applicable, to what extent) the Participant has satisfied the Performance Criteria applicable to the relevant Performance Period.

### **Vesting of Performance Rights**

- 15 A Performance Right granted to a Participant will vest:

- (a) at the end of the Performance Period upon the Board giving written notice to the relevant Participant of the number of Performance Rights in respect of which the Performance Criteria were satisfied over the Performance Period; or
- (b) if the Board allows early vesting as a result of a Change of Control Event or as a result of the Participant ceasing to be an Employee for a Qualifying Reason (or if early vesting occurs automatically as a result of a Change of Control Event).

#### **Transfer of Performance Rights**

- 16 A Performance Right granted under the Plan is only transferable by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.
- 17 Subject to the above, Participants must not grant any Security Interest in or over or otherwise dispose of or deal with any Performance Rights or any interest in them, and any such Security Interest or disposal or dealing will not be recognized in any manner by the Company.
- 18 Where the Participant purports to:
  - (a) transfer a Performance Right other than in accordance with paragraph 16; or
  - (b) grant any Security Interest in or over or otherwise dispose of or deal with a Performance Right or interest in it in breach of paragraph 17,

that Performance Right immediately lapses.

#### **Restriction Period for Shares**

- 19 The Board may (in its absolute discretion), but is not obliged to, specify in any invitation made under paragraph 7 that a Restriction Period applies to Shares which may be acquired on exercise of some or all of the Performance Rights the subject of such invitation.
- 20 If a Restriction Period applies to a Share, the Board may at any time request, and the Participant is deemed to have agreed, that the Company's share registry impose a Holding Lock on that Share to apply during all or part of the Restriction Period.

#### **Exercise on vesting**

- 21 If an invitation provides for:
  - (a) the deemed automatic exercise of a Performance Right, no further action is required from the Participant upon vesting of a Performance Right in order to exercise that Performance Right (but the Participant must promptly provide to the Board the Certificate for that Performance Right); or
  - (b) the manual exercise of a vested Performance Right, a Participant may exercise any such vested Performance Right at any time from the date the Board notifies the Participant of the vesting of the Performance Right, in respect of that Performance Right, until the date on which that Performance Right lapses, by giving the prescribed form of notice to the Board and providing to the Board the Certificate for those Performance Rights.

#### **Lapse of Performance Rights**

- 22 An unvested Performance Right will lapse on the earliest to occur of:

- (a) the end of the Performance Period if the Performance Criteria relating to the Performance Right have not been satisfied;
- (b) the Performance Right lapsing in accordance with paragraph 18;
- (c) the Participant ceasing to be an Employee (and has no other continuing Employee role and does not immediately become an Employee again (of any type)), except in certain circumstances as explained below under the heading "Qualifying Reason and cessation of employment";
- (d) if in the opinion of the Board, the Participant holding that Performance Right has acted fraudulently or dishonestly or in breach of his or her obligations to any ASM Group Member, and the Board determines that Performance Right automatically lapses;
- (e) the Performance Right lapsing in accordance with paragraph 26;
- (f) if applicable, the date determined by the Board and specified in the Company's initial invitation (to the relevant Employee to apply for the Performance Right) as the "expiry date" (or wording to the same effect); and
- (g) if that invitation does not specify an "expiry date" (or wording to the same effect), the date that is fifteen years after the grant of the Performance Right.

23 A vested, but unexercised, Performance Right will lapse upon the earliest to occur of those items set out in paragraph 22(b) to (g).

#### **Qualifying Reason and cessation of employment**

24 If a Participant ceases to be an Employee because of a Qualifying Reason (and has no other continuing Employee role and does not immediately become an Employee again (of any type)), the unvested Performance Rights of that Participant will be treated on the following basis:

- (a) if less than six months of the Performance Period relating to those Performance Rights has elapsed at the date when the Participant ceases to be an Employee, all of the Performance Rights will lapse (unless the Board, in its absolute discretion, determines otherwise); and
- (b) if six months or more of the Performance Period relating to those Performance Rights has elapsed at the date when the Participant ceases to be an Employee, then (unless the Board, in its absolute discretion, determines otherwise) no action is to be taken in respect of those Performance Rights until the end of the Performance Period, at which time the unvested Performance Rights of that Participant will automatically lapse, other than the number of Performance Rights calculated on the following basis:

##### **Step 1**

Calculate the number of days from the beginning of the Performance Period up to and including the date when the Participant ceased to be an Employee.

##### **Step 2**

Divide the result from Step 1 by the number of days in the Performance Period.



### Step 3

Multiply the number of unvested Performance Rights held by that Participant by the result from Step 2.

- 25 If a Participant ceases to be an Employee because of a Qualifying Reason (and has no other continuing Employee role and does not immediately become an Employee again (of any type)), any vested but unexercised Performance Rights held by that Participant will immediately be deemed to have been exercised, and the Participant (or their legal personal representative) must promptly provide to the Board the Certificate for all of that Participant's Performance Rights.

### Change of Control Event

- 26 If a Change of Control Event occurs or if the Board determines for the purposes of the Plan that a Change of Control Event is likely to occur, then (subject to compliance with applicable law and the Listing Rules):
- (a) any vested but unexercised Performance Rights held by a Participant will immediately be deemed to have been exercised;
  - (b) in relation to any unvested Performance Rights held by a Participant:
    - (i) the Relevant Proportion of the Participant's unvested Performance Rights (rounded down to the next lower whole number of Performance Rights) will immediately vest and will immediately be deemed to have been exercised; and
    - (ii) the Board may determine, in its absolute discretion, the manner in which the Remaining Proportion of the Participant's unvested Performance Rights will be dealt with, and, in doing so, may (without limitation) determine, in its absolute discretion, that any number of those unvested Performance Rights vest and are deemed to have been exercised and may impose any conditions on such vesting or exercise (as the case may be) as the Board thinks fit;
  - (c) if in making its determination under paragraph 26(b)(ii), the Board does not determine that an otherwise unvested Performance Right vests, it will automatically lapse, unless the Board has determined that it be dealt with in some other manner;
  - (d) promptly after making a determination under paragraph 26(b)(ii), the Board must notify the Participant of the determination in writing; and
  - (e) a Participant must promptly provide to the Board the Certificate for all of that Participant's Performance Rights which are exercised or have lapsed pursuant to this paragraph 26.
- 27 If a company (**Acquiring Company**) obtains, or in the view of the Board is likely to obtain, control of the Company as a result of a Change of Control Event and both the Company and the Acquiring Company agree, a Participant may, upon the vesting or exercise of Performance Rights (as the case may be), elect to be provided with shares of the Acquiring Company or its parent in lieu of Shares, on substantially the same terms and subject to substantially the same conditions as the Performance Rights, but with appropriate adjustments to the number and kind of shares subject to the Performance Rights.

### Adjustments upon alterations of capital

- 28 Subject to the Listing Rules, if the Company makes any new issue of securities or alterations to its capital by way of a rights issue, bonus issue or other distribution of capital, reduction of capital or reconstruction of capital then the Board may make adjustments to a Participant's Performance Rights (including, without

limitation, to the number of Shares which may be acquired on vesting of the Performance Rights) and/or the Performance Criteria on any basis it sees fit in its absolute discretion to ensure that no advantage or disadvantage accrues to the Participant as a result of such corporate actions.

- 29 Subject to the above adjustments, during the currency of any Performance Rights and prior to their exercise and the issue or transfer of Shares in respect of those Performance Rights, Participants are not entitled to participate in any new issue of securities of the Company in respect of their Performance Rights.
- 30 Notwithstanding any other provision of the rules of the Plan dealing with adjustments, an adjustment must not be made under such adjustment rules unless it is consistent with the Listing Rules. The Company may amend the terms of any Performance Right, or the rights of any Participant under the Plan, to comply with the Listing Rules applying at the time to any reorganisation of capital of the Company.

#### **Tax withholding**

- 31 The Company will have the right to withhold or collect from a Participant such Taxes as any ASM Group Member is obliged, or reasonably believes it is obliged, to account for to any taxation authority on behalf of the Participant.

#### **Administration**

- 32 The Board will manage and administer the Plan, unless it decides to delegate the management and administration of the Plan, and any of its powers or discretions under the Plan, to a committee.

#### **Amendment of Plan**

- 33 The Board may by written instrument amend all or any of the provisions of the Plan (including with retrospective effect) provided that the amendment does not materially reduce the rights of any Participant as they existed before the date of amendment. The Plan provisions do, however, provide that in limited circumstances (for example, for the purpose of complying with relevant legislation or the Listing Rules) amendments may be made even if they materially reduce the rights of a Participant.

## Schedule 3 – SUMMARY OF THE FY25 STI PERFORMANCE RIGHTS

The key terms of the FY25 STI Performance Rights are set out below. Unless otherwise defined below, any capitalised terms used in this section relating to the grant of FY25 STI Performance Rights refer to terms defined in the ASM Performance Rights Plan or the Notice only. Refer also to Schedule 2, which provides a summary of the Plan pursuant to which the FY25 STI Performance Rights are proposed to be granted and which applies to the FY25 STI Performance Rights (for example in relation to the treatment of the FY25 STI Performance Rights pursuant to a Change of Control Event).

<b>Grant Date</b>	If Resolution 6 is approved, the Company proposes to issue the FY25 STI Performance Rights to Ms Smith (and/or her nominee(s)) as soon as practicable and, in any event, within three years from the date of the Meeting.																				
<b>Acquisition price / consideration payable</b>	No amount is payable by a participant to acquire the FY25 STI Performance Rights the subject of this Notice, nor upon the vesting or exercise of the FY25 STI Performance Rights.																				
<b>Vesting conditions</b>	<p>FY25 STI Performance Rights will be subject to Performance Criteria assessed over a 1-year period from 1 July 2024 to 30 June 2025. The number of FY25 STI Performance Rights that may vest will be determined by the Board based on the Performance Criteria set out below.</p> <table><tr><th>Performance Criteria</th><th>Weighting</th><th>Maximum (100% vesting)<sup>1</sup></th></tr><tr><td>ASM Group Cash Balance at 30 June 2025</td><td>25%</td><td>&gt;\$30m</td></tr><tr><td>Dubbo Project – Develop and progress Rare Earth Option Assessment (<b>REOA</b>)</td><td>30%</td><td>REOA completed and BFS commenced</td></tr><tr><td>Korean Metals Plant ramp-up – sign offtake contract(s) for alloy and metal products FY25 – FY28</td><td>25%</td><td>&gt;3,500t total</td></tr><tr><td>Dubbo Project – Light rare earth (<b>LRE</b>) offtake volume, non-binding commitment agreed</td><td>10%</td><td>80% of total Dubbo Project LRE tonnes</td></tr><tr><td>Sustainalytics rating movement through delivery of ESG improvements</td><td>10%</td><td>Medium score &lt;=25</td></tr></table> <p>1. Achieving lesser outcomes than the maximum (100% vesting) targets triggers vesting of lower percentages of the relevant FY25 STI Performance Rights.</p> <p>After the end of the one-year Performance Period (ending on 30 June 2025), the Board will determine the number of FY25 STI Performance Rights to vest based on the performance of the Company against the performance targets set out above (<b>Vesting STI Performance Rights</b>). The value of the reward is weighted for achieved outcomes from the Company scorecard assessment as determined by the Board.</p> <p>Half of the Vesting STI Performance Rights (<b>Tranche 1 Vested Performance Rights</b>) will vest as soon as possible after the Board’s determination of the Vesting STI Performance Rights. The remaining half of the Vesting STI Performance Rights will vest on the date that is two</p>			Performance Criteria	Weighting	Maximum (100% vesting) <sup>1</sup>	ASM Group Cash Balance at 30 June 2025	25%	>\$30m	Dubbo Project – Develop and progress Rare Earth Option Assessment ( <b>REOA</b> )	30%	REOA completed and BFS commenced	Korean Metals Plant ramp-up – sign offtake contract(s) for alloy and metal products FY25 – FY28	25%	>3,500t total	Dubbo Project – Light rare earth ( <b>LRE</b> ) offtake volume, non-binding commitment agreed	10%	80% of total Dubbo Project LRE tonnes	Sustainalytics rating movement through delivery of ESG improvements	10%	Medium score <=25
Performance Criteria	Weighting	Maximum (100% vesting) <sup>1</sup>																			
ASM Group Cash Balance at 30 June 2025	25%	>\$30m																			
Dubbo Project – Develop and progress Rare Earth Option Assessment ( <b>REOA</b> )	30%	REOA completed and BFS commenced																			
Korean Metals Plant ramp-up – sign offtake contract(s) for alloy and metal products FY25 – FY28	25%	>3,500t total																			
Dubbo Project – Light rare earth ( <b>LRE</b> ) offtake volume, non-binding commitment agreed	10%	80% of total Dubbo Project LRE tonnes																			
Sustainalytics rating movement through delivery of ESG improvements	10%	Medium score <=25																			

	<p>years following the end of the Performance Period (being 30 June 2027) subject to Ms Smith continuing to be employed by the Company on such date.</p> <p>Notwithstanding the above, no FY25 STI Performance Rights will be determined to vest if during the Performance Period prior to the vesting of such FY25 STI Performance Rights any of the following occurs:</p> <ul style="list-style-type: none"> <li>(a) a fatality;</li> <li>(b) a material adverse ESG event which in the Board's opinion is material; or</li> <li>(c) a regulatory breach which in the Board's opinion materially impacts the Company's reputation or license to operate.</li> </ul> <p><b>Assessment of vesting conditions</b></p> <p>The Board will make a determination whether the vesting conditions attaching to the FY25 STI Performance Rights have been satisfied or determine to waive the vesting conditions. Provided the Board determines that the vesting conditions are met or are otherwise waived by the Board, a vesting notice will be sent to the relevant participant from the Board, informing them that the FY25 STI Performance Rights have vested. Unless and until a vesting notice is issued by the Company in connection with the FY25 STI Performance Rights, the FY25 STI Performance Rights will not have vested. Following the issue of a vesting notice, any vested FY25 STI Performance Rights will be eligible to be exercised for the issue and/or transfer of the requisite number of Shares (refer to the section "Exercise of vested Performance Rights and issue/transfer of Shares" below).</p>
<b>Exercise of vested Performance Rights and issue/transfer of Shares</b>	<p>Upon issue of a vesting notice, any vested FY25 STI Performance Rights may be exercised (for nil exercise price) at any time until the date on which the FY25 STI Performance Rights lapse, by a signed written notice to the Board specifying the FY25 STI Performance Rights being exercised and providing the certificate for those FY25 STI Performance Rights and the participant will be issued and/or transferred one fully paid ordinary share in ASM for each FY25 STI Performance Right that has been exercised.</p>
<b>Lapsing of Performance Rights</b>	<p>The FY25 STI Performance Rights will lapse as set out in the Plan (refer to Schedule 2). The expiry date for the FY25 STI Performance Rights as relevant to paragraph 22(f) of Schedule 2 is 30 June 2032.</p>
<b>Adjustments upon alterations of capital</b>	<p>Subject to the Listing Rules, if the Company makes any new issue of securities or alterations to its capital by way of a rights issue, bonus issue or other distribution of capital, reduction of capital or reconstruction of capital then the Board may make adjustments to the FY25 STI Performance Rights (including, without limitation, to the number of Shares which may be acquired on vesting of the FY25 STI Performance Rights) and/or the Performance Criteria on any basis it sees fit in its absolute discretion to ensure that no advantage or disadvantage accrues to the participant as a result of such corporate actions.</p> <p>Subject to the above adjustments, during the currency of any FY25 STI Performance Rights and prior to their exercise and the issue or transfer of Shares in respect of those FY25 STI Performance Rights, participants are not entitled to participate in any new issue of securities of the Company in respect of their FY25 STI Performance Rights.</p>

<b>Disposal restrictions</b>	<p>Shares issued on exercise of the Tranche 1 Vested Performance Rights will be subject to a Restriction Period (as defined in Schedule 2) until 30 June 2026. During such Restriction Period Ms. Smith must not deal with any such Shares unless a Change of Control Event (as defined in Schedule 2) occurs, the Board determines for the purposes of the Plan that a Change of Control Event is likely to occur or the Board expressly permits Ms. Smith to deal with such Shares (as in each of those cases the Restriction Period ceases to apply).</p> <p>Except as set out above with respect to the Shares issued upon exercise of the Tranche 1 Vested Performance Rights or as provided in ASM's share trading policy and subject to applicable law, no specific disposal restrictions apply to any Shares that are issued and/or transferred as a result of the exercise of FY25 STI Performance Rights.</p>
------------------------------	---

## Schedule 4 – SUMMARY OF THE TERMS OF THE LTI PERFORMANCE RIGHTS

The key terms of the LTI Performance Rights are set out below. Unless otherwise defined below, any capitalised terms used in this section relating to the grant of LTI Performance Rights refer to terms defined in the ASM Performance Rights Plan or the Notice only. Refer also to Schedule 2, which provides a summary of the Plan pursuant to which the LTI Performance Rights are proposed to be granted and which applies to the LTI Performance Rights (for example in relation to the treatment of the LTI Performance Rights pursuant to a Change of Control Event).

<b>Grant Date</b>	If Resolution 7 is approved, the Company proposes to issue the LTI Performance Rights to Ms Smith (and/or her nominee(s)) as soon as practicable and, in any event, within three years from the date of the Meeting.									
<b>Acquisition price / consideration payable</b>	No amount is payable by a participant to acquire the LTI Performance Rights the subject of this Notice, nor upon the vesting or exercise of the LTI Performance Rights.									
<b>Vesting conditions</b>	<p>The LTI Performance Rights will be subject to Performance Criteria assessed over a 3-year period from 1 July 2024 to 30 June 2027. The number of LTI Performance Rights that may vest will be determined by the Board based on the Performance Criteria set out below.</p> <p>The Starting Share Price of \$0.83 is the 20-day VWAP of Shares as at 30 June 2024 (rounded to two decimal places). The number of LTI Performance Rights to vest will be determined as per the table below using the VWAP calculated over the 20 Trading Days up to and including 30 June 2027 (<b>Achieved Share Price</b>). For example, if the Achieved Share Price is \$2.00, the number of LTI Performance Rights to vest, subject to the determination and discretion of the Board, will be 342,586 LTI Performance Rights.</p> <p><b>Performance Criteria applicable to LTI Performance Rights</b></p> <table><tr><th>Starting Share Price</th><th>Threshold Share Price (VWAP calculated over the 20 Trading Days up to and including 30 June 2027)</th><th>Stretch Share Price (VWAP calculated over the 20 Trading Days up to and including 30 June 2027)</th></tr><tr><td></td><td>0% vesting</td><td>100% vesting</td></tr><tr><td>\$0.83</td><td>\$1.26</td><td>&gt;=\$2.53</td></tr></table> <p>Notwithstanding the above, no LTI Performance Rights will be determined to vest if during the Performance Period prior to the vesting of such LTI Performance Rights any of the following occurs:</p> <p>(a) a fatality;</p>	Starting Share Price	Threshold Share Price (VWAP calculated over the 20 Trading Days up to and including 30 June 2027)	Stretch Share Price (VWAP calculated over the 20 Trading Days up to and including 30 June 2027)		0% vesting	100% vesting	\$0.83	\$1.26	>=\$2.53
Starting Share Price	Threshold Share Price (VWAP calculated over the 20 Trading Days up to and including 30 June 2027)	Stretch Share Price (VWAP calculated over the 20 Trading Days up to and including 30 June 2027)								
	0% vesting	100% vesting								
\$0.83	\$1.26	>=\$2.53								

	<p>(b) a material adverse ESG event which in the Board’s opinion is material; or</p> <p>(c) a regulatory breach which in the Board’s opinion materially impacts the Company’s reputation or license to operate.</p> <p><b>Assessment of vesting condition</b></p> <p>The Board will make a determination whether the vesting condition attaching to the LTI Performance Rights has been satisfied or determine to waive the vesting condition. Provided the Board determines that the vesting condition is met or is otherwise waived by the Board, a vesting notice will be sent to the relevant participant from the Board, informing them that the LTI Performance Rights have vested. Unless and until a vesting notice is issued by the Company in connection with the LTI Performance Rights, the LTI Performance Rights will not have vested. Following the issue of a vesting notice, any vested LTI Performance Rights will be eligible to be exercised for the issue and/or transfer of the requisite number of Shares (refer to the section “Exercise of vested Performance Rights and issue/transfer of Shares” below).</p>
<b>Exercise of vested Performance Rights and issue/transfer of Shares</b>	<p>Upon issue of a vesting notice, any vested LTI Performance Rights may be exercised (for nil exercise price) at any time until the date on which the LTI Performance Rights lapse, by a signed written notice to the Board specifying the LTI Performance Rights being exercised and providing the certificate for those LTI Performance Rights and the participant will be issued and/or transferred one fully paid ordinary share in ASM for each LTI Performance Right that has been exercised.</p>
<b>Lapsing of Performance Rights</b>	<p>The LTI Performance Rights will lapse as set out in the Plan (refer to Schedule 2). The expiry date for the LTI Performance Rights as relevant to paragraph 22(f) of Schedule 2 is 30 June 2032.</p>
<b>Adjustments upon alterations of capital</b>	<p>Subject to the Listing Rules, if the Company makes any new issue of securities or alterations to its capital by way of a rights issue, bonus issue or other distribution of capital, reduction of capital or reconstruction of capital then the Board may make adjustments to the LTI Performance Rights (including, without limitation, to the number of Shares which may be acquired on vesting of the LTI Performance Rights) and/or the Performance Criteria on any basis it sees fit in its absolute discretion to ensure that no advantage or disadvantage accrues to the participant as a result of such corporate actions.</p> <p>Subject to the above adjustments, during the currency of any LTI Performance Rights and prior to their exercise and the issue or transfer of Shares in respect of those LTI Performance Rights, participants are not entitled to participate in any new issue of securities of the Company in respect of their LTI Performance Rights.</p>
<b>Disposal restrictions</b>	<p>Except as set out in ASM’s share trading policy and subject to applicable law, no specific disposal restrictions apply to any Shares that are issued and/or transferred as a result of the exercise of LTI Performance Rights.</p>

## Schedule 5 – Listing Rule 7.1A Dilution Table

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of Shares for variable 'A' calculated based on the number of ordinary securities the Company has on issue as at the date of the Notice.

The table also shows:

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

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.283 50% decrease in Issue Price	\$0.565 Issue Price	\$1.13 100% increase in Issue Price
<b>Current Variable A</b> <b>181,319,636 Shares</b>	<b>10% Voting Dilution</b>	18,131,964	18,131,964	18,131,964
	<b>Funds Raised</b>	\$5,122,280	\$10,244,559	\$20,489,119
<b>50% increase in current Variable A</b> <b>271,979,454 Shares</b>	<b>10% Voting Dilution</b>	27,197,945	27,197,945	27,197,945
	<b>Funds Raised</b>	\$7,683,419	\$15,366,839	\$30,733,678
<b>100% increase in current Variable A</b> <b>362,639,272 Shares</b>	<b>10% Voting Dilution</b>	36,263,927	36,263,927	36,263,927
	<b>Funds Raised</b>	\$10,244,559	\$20,489,119	\$40,978,238

The table has been prepared on the following assumptions:

- (a) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility (and, if they are listed Options, they are all converted into Shares).
- (b) No Options, Performance Rights or other convertible securities are exercised or converted into Shares before the date of the issue of the Equity Securities.



- (c) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (d) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- (e) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (f) The issue of Equity Securities under the 10% Placement Facility consists of Shares, or to the extent the issue of Equity Securities includes listed Options (for example, such as the class of existing Options which is currently quoted on the ASX), it is assumed that those listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (g) The issue price is \$0.565, being the closing price of the Shares on ASX on 8 October 2024. The Company will only issue the Equity Securities during the 10% Placement Period.



Australian Strategic Materials Ltd

AUSTRALIAN STRATEGIC MATERIALS LIMITED | ABN 90 168 368 401

# Proxy Voting Form

If you are attending the Meeting in person, please bring this with you for Securityholder registration.

Your proxy voting instruction must be received by **10.30am (AWST) on Sunday, 24 November 2024**, 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 Key Management Personnel.

### 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)

