



**SMART MARINE SYSTEMS LIMITED  
(TO BE RENAMED "HARVEST TECHNOLOGY GROUP  
LIMITED")  
ACN 149 970 445**

**NOTICE OF GENERAL MEETING**

**The General Meeting of the Company will be held at  
Level 2, 61 King Street, Perth WA 6000 on Tuesday the 31<sup>st</sup> of  
March 2020 at 02:30pm (WST)**

*The Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.*

*Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on (08) 9482 0500.*

**Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice**

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# SMART MARINE SYSTEMS LIMITED

## (to be renamed "Harvest Technology Group Limited")

ACN 149 970 445

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### NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Smart Marine Systems Limited (to be renamed "Harvest Technology Group Limited") (**Company**) will be held at Level 2, 61 King Street, Perth WA 6000 on Tuesday the 31<sup>st</sup> of March 2020 at 02:30pm (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Monday, 30<sup>th</sup> March 2020 at 5:00pm (WST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

### AGENDA

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#### 1. Resolution 1 - Approval to change Company name

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

*"That, pursuant to and in accordance with section 157 of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to "Harvest Technology Group Limited" with effect from the date that ASIC alters the details of the Company's registration."*

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#### 2. Resolutions 2(a)-(c) - Approval to issue Options to Directors

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

*"That, pursuant to and in accordance with Listing Rule 10.14 and Section 208 of the Corporations Act, and for all other purposes, Shareholders approve the issue of Options to the Directors (or their respective nominees) under the Plan as follows:*

- (a) up to 12,000,000 Options to Paul Guilfoyle*
- (b) up to 600,000 Options to Rodney Evans; and*
- (c) up to 600,000 Options to Marcus Machin.*

*(together the **Director Options**) on the terms and conditions in the Explanatory Memorandum."*

## **Voting Exclusion**

The Company will disregard any votes cast in favour of Resolutions 2(a), (b) and (c) by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan or an associate of that person or those persons.

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

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

## **Voting Prohibitions**

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

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

However, the above prohibition does not apply if:

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

Further, in accordance with section 224 of the Corporations Act, a vote on these Resolutions must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

However, the above prohibition does not apply if:

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

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

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

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### 3. Resolution 3 - Section 195 Approval

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

*"That, pursuant to and in accordance with subsection 195(4) of the Corporations Act and for all other purposes, Shareholders approve the transactions contemplated in Resolutions 2(a) to (c) (inclusive)."*

**BY ORDER OF THE BOARD**



Brett Tucker  
Company Secretary  
Smart Marine Systems Limited  
Dated: 2<sup>nd</sup> March 2020

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# **SMART MARINE SYSTEMS LIMITED** **(to be renamed "Harvest Technology Group Limited")** **ACN 149 970 445**

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## **EXPLANATORY MEMORANDUM**

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### **1. Introduction**

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Level 2, 61 King Street, Perth WA 6000 on Tuesday the 31<sup>st</sup> of March 2020 at 02:30pm (WST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

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

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### **2. Action to be taken by Shareholders**

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

#### **2.1 Voting in person**

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

#### **2.2 Proxies**

##### **(a) 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, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

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

(b) Proxy vote if appointment specifies way to vote

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

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

(c) Transfer of non-chair proxy to chair in certain circumstances

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

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

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

## **2.3 Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)**

In accordance with sections 250BD and 250R of the Corporations Act, votes on Resolutions 2(a)-(c) (inclusive) must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolutions 2(a)-(c) if the vote is not cast on behalf of a person who is excluded from voting on the relevant Resolution and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution, but expressly authorises

the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

## 2.4 Chair's voting intentions

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

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolutions 2(a)-(c) by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

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## 3. Resolution 1 - Approval to change Company name

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 1 seeks the approval of Shareholders for the Company to change its name to "Harvest Technology Group Limited".

The proposed name has been reserved by the Company with ASIC. If Resolution 1 is passed the change of name will take effect when ASIC alters the details of the Company's registration.

The Board proposes this change of name on the basis that with the acquisition of Harvest Technology Pty Ltd (**Harvest**) and Advanced Offshore Streaming Pty Ltd (**AOS**) in 2019, the original business has expanded to include new product lines and solutions, along with a wider audience reach outside the offshore and marine sectors.

In the current structure of the group there exists three individual businesses each with different names and branding yet offering complementary products and services.

The Board believes that the name "Smart Marine Systems" is not consistent nor considerate of the activities of the entire group and is limited to the marine sector only.

Similarly, AOS's business name is focused on offshore environments only and does not encompass all of its product lines and broader customer base.

With Harvest having the most solid market presence, the Board recommends leveraging this by changing the group name to "Harvest Technology Group Limited".

A directed name change at this point will give the group the opportunity to capitalise on the recent momentum created by the acquisition of AOS and expansion into global markets by repositioning the company with a branding identity that is consistent, strong, meaningful, and scalable across the group's activities.

In connection with the change of Company name, the Company's ASX code is also proposed to change from "SM8" to "HTG".

The rebranding of the group will also include changing the business name of AOS to Harvest Infinity Pty Ltd.

Resolution 1 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 1.

## 4. Resolutions 2(a)-(c) - Approval to Issue Options to Directors

### 4.1 General

The Board has agreed, subject to obtaining Shareholder approval, to issue up to a total of 13,200,000 Options to the Directors (or their respective nominees) under the Plan as follows (together the **Director Options**).

Director	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Total
Paul Guilfoyle	4,000,000	4,000,000	4,000,000	-	12,000,000
Rodney Evans	-	200,000	200,000	200,000	600,000
Marcus Machin	-	200,000	200,000	200,000	600,000

The Company is in an important stage of development with significant opportunities and challenges in both the near and long-term, and the proposed issue seeks to align the efforts of the Directors in seeking to achieve growth of the Share price and in the creation of Shareholder value. In addition, the Board also believes that incentivising with Options is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Director Options to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

The Director Options are to be issued under the terms of the Company's Employee Securities Incentive Plan (**Plan**), which are summarised in Schedule 4.

Subject to the terms and conditions in Schedule 2, the Director Options have an exercise price and expiry date as set out below, and will vest on the date the relevant vesting condition for those Options has been satisfied.

Options	Number	Exercise Price	Vesting Conditions	Expiry Date
Tranche 1	4,000,000	\$0.04	Nil	12 months from grant date
Tranche 2	4,400,000	\$0.07	Nil	12 months from grant date
Tranche 3	4,400,000	\$0.10	Nil	12 months from grant date
Tranche 4	400,000	\$0.15	Nil	12 months from grant date



Resolutions 2(a) to 2(c) (inclusive) seek the approval of Shareholders pursuant to Listing Rule 10.14 for the issue of the Director Options to the Directors.

Resolutions 2(a) to 2(c) are **separate** ordinary resolutions.

## 4.2 Listing Rule 10.14

Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rules 7.1 or 10.11 is not required.

## 4.3 Specific information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of Director Options:

- (a) a maximum of 13,200,000 Director Options will be issued to the Directors (or their respective nominees) as follows:
  - (i) up to 12,000,000 Options to Paul Guilfoyle;
  - (ii) up to 600,000 Options to Rodney Evans; and
  - (iii) up to 600,000 Options to Marcus Machin;
- (b) each of the recipients of the Director Options are a related party of the Company by virtue of being a Director and fall into the category stipulated under Listing Rule 10.14.1;
- (c) the total remuneration package of the Directors for the current financial year and for the previous financial year is set out below:

	Cash salary and fees (\$)	D&O Insurance Premiums (\$)	Super-annuation (\$)	Share based payments <sup>1</sup> (\$)	Total (\$)
<b>FY 2020</b>					
Paul Guilfoyle	300,500	12,833	27,450	-	<b>340,783</b>
Rodney Evans	50,000	12,833	-	-	<b>62,833</b>
Marcus Machin	50,000	12,833	-	-	<b>62,833</b>
<b>FY 2019</b>					

Paul Guilfoyle	38,498	-	3,435	-	<b>41,933</b>
Rodney Evans	8,334	862	-	-	<b>9,196</b>
Marcus Machin	-	-	-	-	-

(1) Not including the issue of Directors options the subject of Resolutions 2(a)-(c)

- (d) no Securities have been issued to the Directors pursuant to the Plan since its adoption by Shareholders on 28 November 2019;
- (e) the terms and conditions of the Director Options are set out in Schedule 2. The Shares to be issued upon exercise of the Director Options will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares;
- (f) the Company has elected to issue Options to the Directors, rather than an alternative class of Security, as the Company considers that:
  - (i) Shareholders can readily ascertain and understand the milestones which are required to be satisfied for the Director Options to vest; and
  - (ii) the value which can be derived by the vesting and exercise of the Director Options will only be derived should the relevant share price hurdles be reached (and the Director Options exercised);
- (g) a valuation of the Director Options is set out in Schedule 3;
- (h) the Director Options will be issued no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (i) the Director Options will be issued as part of the remuneration package of the Directors for a nil issue price;
- (j) a summary of the material terms of the Plan is set out in Schedule 4;
- (k) no loan will be provided to the Directors in relation to the issue of the Director Options;
- (l) details of any Securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (m) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Securities under the Plan after Resolutions 2(a)-(c) are approved and who were not named in the Notice will not participate until approval is obtained under that rule; and
- (n) a voting exclusion statement is included in the Notice.

#### 4.4 Chapter 2E of the Corporations Act

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

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

The grant of the Director Options constitutes giving a financial benefit and the recipients of the Director Options are related parties of the Company by virtue of being Directors.

It is the view of the Board that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, the Company is seeking approval for the purposes of Chapter 2E of the Corporations Act in respect of the Director Options proposed to be issued to the Directors pursuant to Resolutions 2(a) to (c) (inclusive).

#### 4.5 Information requirements for Chapter 2E of the Corporations Act

Pursuant to and in accordance with section 219 of the Corporations Act, the following information is provided in relation to the proposed issue of the Director Options.

- (a) **Identity of the related parties to whom Resolutions 2(a) to (c) (inclusive) permit financial benefits to be given**

The Director Options will be issued to Messrs Paul Guilfoyle, Rodney Evans and Marcus Machin (or their respective nominees).

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

Resolutions 2(a) to (c) (inclusive) seek approval from Shareholders to allow the Company to issue the Director Options in the amounts specified in Section 4.3(a) above to the Directors or their respective nominees. The Director Options are to be issued in accordance with the Plan and otherwise on the terms and conditions in Schedule 2.

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

- (c) **Valuation of financial benefit**

Using a Black & Scholes valuation model, the Company's valuation of the Director Options is in Schedule 3, with a summary for each Director below:

Related Party	Value of Director Options				
	Tranche 1 (\$)	Tranche 2 (\$)	Tranche 3 (\$)	Tranche 4 (\$)	TOTAL (\$)
Paul Guilfoyle	\$124,000	\$80,000	\$56,000	-	\$260,000
Rodney Evans	-	\$4,000	\$2,800	\$1,800	\$8,600
Marcus Machin	-	\$4,000	\$2,800	\$1,800	\$8,600

(d) **Remuneration of Directors**

The total annual remuneration arrangements for each of the Directors are set out in Section 4.3(c).

(e) **Existing relevant interests**

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

Director	Shares	Performance Rights
Paul Guilfoyle <sup>1</sup>	19,587,013	35,200,000
Rodney Evans	2,447,553	-
Marcus Machin <sup>2</sup>	13,034,931	8,000,000

**Notes:**

1. The Securities are held directly by Mr Guilfoyle other than 12,987,013 Shares which are held indirectly by an associated entity of Mr Guilfoyle, PJG Holdings (WA) Pty Ltd.
2. The Securities are held indirectly by a related entity of Mr Machin, Arab Capital Holdings Limited.

Assuming that each of Resolutions 2(a) to (c) (inclusive) are approved by Shareholders, all of the Director Options are issued, vested and exercised into Shares, and no other Securities are issued or exercised, the respective interests of the Directors in the Company would be as follows:

- Mr Guilfoyle's interest would represent approximately 9.5% of the Company's expanded capital;
- Mr Evans' interest would represent approximately 0.9% of the Company's expanded capital; and
- Mr Machin's interest would represent approximately 3.9% of the Company's expanded capital.

(f) **Trading history**

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

- (i) Highest: \$0.12 on 21 February 2020
- (ii) Lowest: \$0.012 on 12-13 February 2019

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.10 per Share on 24 February 2020.

(g) **Dilution**

The issue of the Director Options will have a diluting effect on the percentage interest of existing Shareholders' holdings if the Director Options vest and are exercised. The potential dilution effect is summarised below:

Director Options	Dilution
Tranche 1	1.2%
Tranche 2	1.3%
Tranche 3	1.3%
Tranche 4	0.1%

The above table assumes the current Share capital structure as at the date of this Notice (being 335,145,696 Shares) and that no Shares are issued other than the Shares issued on exercise of the Director Options. The exercise of all of the Director Options will result in a total dilution of all other Shareholders' holdings of 3.9%. The actual dilution will depend on the extent that additional Shares are issued by the Company.

(h) **Corporate governance**

Mr Paul Guilfoyle is an executive director of the Company and therefore the Board believes that the grant of the Director Options to Mr Guilfoyle is in line with Recommendation 8.2 of the 4<sup>th</sup> edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Board acknowledges the grant of the Director Options to the non-executive Directors, Messrs Evans and Machin is contrary to Recommendation 8.2 of the 4<sup>th</sup> edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. However, the Board considers the grant of Director Options to the non-executive Directors reasonable in the circumstances for the reasons set out in Section 4.1.

(i) **Taxation consequences**

There are no taxation consequences for the Company arising from the issue of the Director Options (including fringe benefits tax).

(j) **Director recommendations**

The Directors decline to make a recommendation to Shareholders in relation to Resolutions 2(a) to (c) (inclusive) due to their material personal interests in the outcome of the Resolutions.

(k) **Other information**

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 2(a) to (c) (inclusive).

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## **5. Resolution 3 - Section 195 Approval**

In accordance with section 195 of the Corporations Act, a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a "material personal interest" are being considered.

The Directors have a material personal interest in the outcome of Resolutions 2(a) to (c) (inclusive).

In the absence of this Resolution 3, the Directors may not be able to form a quorum at directors meetings necessary to carry out the terms of Resolutions 2(a) to (c) (inclusive). The Directors accordingly exercise their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve. Resolution 3 is an ordinary resolution.

## Schedule 1 - Definitions

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

**\$** means Australian Dollars.

**ASX** means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**Board** means the board of Directors.

**Chair** means the person appointed to chair the Meeting of the Company convened by the Notice.

**Closely Related Party** means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Company** means Smart Marine Systems Limited (to be renamed "Harvest Technology Group Limited") (ACN 149 970 445).

**Constitution** means the constitution of the Company.

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

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

**Director Options** means up to 13,200,000 options to be issued to the Directors on the terms and conditions set out in Schedule 2, which are the subject of Resolutions 2(a)-(c) (inclusive).

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

**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 ASX.

**Meeting** has the meaning given in the introductory paragraph of the Notice.

**Notice** means this notice of general meeting.

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

**Plan** means the Employee Securities Incentive Plan of the Company, the terms of which are summarised in Schedule 4.

**Proxy Form** means the proxy form attached to the Notice.

**Resolution** means a resolution referred to in the Notice.

**Schedule** means a schedule to the Notice.

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

**Securities** means any Equity Securities of the Company (including Shares and Options).

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

**Shareholder** means the holder of a Share.

**WST** means Western Standard Time being the time in Perth, Western Australia.



## Schedule 2 -Terms and Conditions of the Director Options

### 1. Entitlement

The Options entitle the Optionholder to subscribe for one Share upon the exercise of each Option.

### 2. Plan

- (a) The Options are granted under the Plan at a nil issue price.
- (b) In the event of any inconsistency between the Plan and these terms and conditions, these terms and conditions will apply to the extent of the inconsistency.

### 3. Quotation of Options

The Company will not apply for official quotation of the Options on ASX.

### 4. Exercise price, Expiry Date and Vesting Milestones

Each Option (unless otherwise specified) has an exercise price (**Exercise Price**) and expiry date (**Expiry Date**) as set out below, and will vest on the date the relevant milestone relating to that Option has been satisfied. Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

Options	Number	Exercise Price	Milestone	Expiry Date
Tranche 1	4,000,000	\$0.04	Nil	12 months from grant date
Tranche 2	4,400,000	\$0.07	Nil	12 months from grant date
Tranche 3	4,400,000	\$0.10	Nil	12 months from grant date
Tranche 4	400,000	\$0.15	Nil	12 months from grant date

### 5. Vesting Date

The Options will, subject to the Board's discretion, vest on the date the relevant milestone relating to that Option has been satisfied and the Company will notify you in writing when the relevant milestone has been satisfied.

### 6. Notice of Exercise

The Optionholder may exercise vested Options by lodging with the Company, on or prior to the Expiry Date:

- (a) in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion;

- (b) a written notice of exercise of Options specifying the number of Options being exercised (**Exercise Notice**); and
- (c) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised. Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.

#### **7. Timing of issue of Shares and quotation of Shares on exercise**

As soon as practicable after the valid exercise of an Option, the Company will:

- (a) issue, allocate or cause to be transferred to the Optionholder the number of Shares to which the Optionholder is entitled under the Plan;
- (b) issue a substitute Certificate for any remaining unexercised Options held by the Optionholder;
- (c) if required and subject to paragraph 8, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (d) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules.

All Shares issued upon the exercise of Options will upon issue rank equally in all respects with the then issued Shares.

#### **8. Restrictions on transfer of Shares**

If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Options may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

#### **9. Quotation of Shares on exercise**

The Company will apply for official quotation on ASX of all Shares issued upon exercise of the Options within 10 Business Days after the date of issue of those Shares.

#### **10. Options transferrable**

The Options will be transferable subject to compliance with the Corporations Act, Listing Rules and conditional on obtaining prior approval from the Board.

#### **11. Participation in new issues**

There are no participation rights or entitlements inherent in the Options and the Optionholder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will give the Optionholder notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.

#### **12. Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of an Option will not be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

**13. Adjustment for entitlement issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will not be adjusted following an entitlement offer.

**14. Adjustments for reorganisation**

If there is any reorganisation of the issued share capital of the Company, the rights of the Optionholder will be varied to comply with the Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.

**15. Leaver**

Where the holder (or the person who is entitled to be registered as the holder) of the Options is no longer employed, or their engagement is discontinued (for whatever reason), with the Company, any unexercised Options will automatically lapse and be forfeited by the holder, unless the Board otherwise determines in its discretion.

**16. Change of Control**

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

### Schedule 3 - Valuation of Director Options

The Company has valued the Director Options using the Black-Scholes option valuation model and based on the assumptions as set out in the tables below, with the Director Options ascribed a value as follows

*Assumptions:*

Value date:	4 February 2020
Share price:	\$0.06
Remaining Term:	12 months from Grant Date
Volatility:	100%
Risk free interest rate:	0.76%

Tranche	Exercise price	Number	Valuation per option	Total Valuation
Tranche 1	\$0.04	4,000,000	\$0.031	\$124,000
Tranche 2	\$0.07	4,400,000	\$0.02	\$88,000
Tranche 3	\$0.10	4,400,000	\$0.014	\$61,600
Tranche 4	\$0.15	400,000	\$0.009	\$3,600
<b>Total</b>				<b>\$277,200</b>

## Schedule 4 - Summary of Employee Securities Incentive Plan

A summary of the key terms of the Plan is set out below:

1. **(Eligible Participant):** Eligible Participant means a person that:
  - (a) is an "eligible participant" (as that term is defined in ASIC Class Order [CO 14/1000]) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order [14/1000]); and
  - (b) has been determined by the Board to be eligible to participate in the Plan from time to time.
2. **(Purpose):** The purpose of the Plan is to:
  - (a) assist in the reward, retention and motivation of Eligible Participants;
  - (b) link the reward of Eligible Participants to Shareholder value creation; and
  - (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
3. **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.
4. **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides. On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.
5. **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
6. **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.
7. **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible

Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

8. **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation. At the time of exercise of the Convertible Securities, subject to Board approval at that time, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

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

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

9. **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
10. **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest. Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
  - (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
11. **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

12. **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
13. **(Disposal restrictions on Plan Shares):** If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
  - (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
14. **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation. If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised. Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.
15. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
16. **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.
- No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.
17. **(Plan duration):** The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for

any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.



**SMART MARINE SYSTEMS LIMITED**  
**(TO BE RENAMED "HARVEST TECHNOLOGY GROUP LIMITED")**

ACN 149 970 445

**PROXY FORM**

The Company Secretary  
Smart Marine Systems Limited

**By post:** PO Box 902, West Perth, WA 6872  
**By hand delivery:** Ground Floor, 16 Ord Street, West Perth WA 6005  
**By facsimile:** +61 8 9482 0505  
**By email:** btucker@ventnorcapital.com

**Name of  
Shareholder:**

**Address of  
Shareholder:**

**Number of Shares  
entitled to vote:**

Please mark ☒ to indicate your directions. Further instructions are provided overleaf.

**STEP 1 - APPOINT A PROXY TO VOTE ON YOUR BEHALF**

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the Meeting.

I/We being Shareholder/s of the Company hereby appoint:

**The Chair of  
the Meeting  
(mark box)**

☐

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

Or failing the person/body corporate named, or if no person/body corporate is named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the General Meeting of the Company to be held at Level 2, 61 King Street, Perth, Western Australia, on Tuesday the 31<sup>st</sup> of March 2020 at 02:30pm (WST), and at any adjournment or postponement of that Meeting.

**CHAIR'S VOTING INTENTIONS IN RELATION TO UNDIRECTED PROXIES**

The Chair intends to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intentions on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

**Important:** If the Chair is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chair to exercise the proxy in respect of Resolutions 2(a)-(c) (inclusive), even though these Resolutions are connected directly or indirectly with the remuneration of the Company's Key Management Personnel.

**STEP 2 - INSTRUCTIONS AS TO VOTING ON RESOLUTIONS**

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

		For	Against	Abstain*
Resolution 1	Approval to change Company name			
Resolution 2(a)	Approval to issue Options to Paul Guilfoyle			
Resolution 2(b)	Approval to issue Options to Rodney Evans			
Resolution 2(c)	Approval to issue Options to Marcus Machin			
Resolution 3	Section 195 Approval			

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

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

**Authorised signature/s** This section **must** be signed in accordance with the instructions below to enable your voting instructions to be implemented.

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

<sup>1</sup>Insert name and address of Shareholder

<sup>2</sup> Insert name and address of proxy

\*Omit if not applicable

## PROXY NOTES

A Shareholder entitled to attend and vote at the General Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that General Meeting. If the Shareholder is entitled to cast 2 or more votes at the General Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that General Meeting, the representative of the body corporate to attend the General Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the General Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be provided to the Company Secretary at an address provided above (by post, hand delivery, facsimile or email) not less than 48 hours prior to the time of commencement of the General Meeting (WST).