

NANOPAC INNOVATION LIMITED
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2023 Annual General Meeting of NANOPAC INNOVATION LIMITED will be held at 23 Jalan MJ 16, Taman Meranti Jaya, 47120 Puchong, Selangor, Malaysia on the 29th day of May 2023 at 9.00AM to consider and if thought fit pass as ordinary and special resolutions the resolutions set out below:

Ordinary Business

- 1. ADOPTION OF ANNUAL FINANCIAL ACCOUNTS**
- 2. ADOPTION OF REMUNERATION REPORT**
- 3. ELECTION OF DIRECTOR**

That Cheang Soon Siang who retires in accordance with Article 18.4 of the Company's Articles of Association, and being eligible who offers himself for election be elected as director.

- 4. ELECTION OF DIRECTOR.** – That Tan Yeang Tze who retires in accordance with Article 18.4 of the Company's Articles of Association, and being eligible who offers himself for election, be elected as a director.

Special Business

- 5. DIVISION OF SHARE CAPITAL** – To be passed as a special resolution.

"That the share capital of the Company be divided by 10 and clause 2 of the Memorandum of Association be amended to read:

"2 The Share Capital of the Company is United States US\$14,000,001 (Amount in words United States Dollars Fourteen Million and one) divided into 10,000,000,000 ordinary shares of United States \$0.001 each; 4,000,000,000 Convertible Shares of United States \$0.001 each and 30 Founder Shares of United States \$0.10 each."

6. **ALTERATION OF RIGHTS OF “A” CLASS CONVERTIBLE SHARES.** – To be passed as a special resolution

That the Article 4.6 (b) (i) of the Articles of Association be deleted and the following be inserted in lieu:

“4.6 (b) (i) Subject to Article 4.6 (b) (ii) The A Class Convertible Shares shall convert to fully paid ordinary shares which will rank pari passu with existing ordinary shares in accordance with the following formula:

$$N = \frac{(US\$Y + US\$5,143,247) \times 20,000,000}{10,000,000} - Z$$

10,000,000

N = Number of A Convertible Shares which convert into Ordinary Shares

Y = The amount of new share capital raised in cash after the date of the adoption of this Articles 4.6 (b) (i).”.

Z = The number of Convertible Shares which have previously been converted.

7. **CONVERSION OF A CLASS SHARES** - To be passed as a special resolution.

“That 10,286,493 A Class Convertible Shares (102,864.930 following the passing of Resolution 5) currently on issue be converted into fully paid ordinary shares which will rank pari passu with existing ordinary shares from this date, such ordinary shares to

be converted for each holder of convertible shares in proportion to their holdings of A Class Convertible Shares.”

8. ADOPTION OF INCENTIVE PLAN – to be passed as an ordinary resolution

“That the Omnibus Incentive Plan a copy of which has been signed by the Company Secretary and lodged with the National Stock Exchange of Australia Limited (NSX) with a copy of this Notice of Meeting be adopted.”

An explanatory memorandum in respect of the resolution accompanies this notice.

DATED []th day of April 2023

BY ORDER OF THE BOARD



ANDREW DAVID BRISTOW
SECRETARY

Proxies

Members entitled to vote may attend the general meeting in person or by proxy. A proxy form for the meeting is attached . Proxy forms must be completed and signed by a member wishing to appoint a proxy.

Proxies must be lodged at Nanopac Innovation Ltd 31 Highgate Cct Kellyville NSW 2155 or at the following electronic address abristowhighgatelegal.com.au at least 48 hours prior to the meeting.

CDI HOLDERS

Holders of Chess Depository Instruments (CDIs) are invited to attend but are not entitled to vote personally at the Annual General Meeting. Chess Depositing Nominees Pty Ltd (CDN) holds legal title to the Company’s shares for and behalf of the CDI holders as the beneficial owners of the Company’s shares held by CDN. CDI holders should direct CDN on how to vote with respect of the resolutions described in the Notice of Meeting. CDN must exercise its

right to vote by proxy at the Annual General Meeting in accordance with the Directors of CDI holders. A form of Direction to CDN is attached.

EXPLANATORY STATEMENT

Resolution 2 -Remuneration Report.

As the Company is listed on the National Stock Exchange of Australia Limited, which is an Australian Recognised Stock Exchange, it has been decided to adopt various Australian governance protocols.

An Australian publicly listed company must at each Annual General Meeting allow members to adopt the Remuneration Report set out in the Company's financial accounts. Such a resolution is non – binding on the directors if it is not passed, meaning the Company and the directors are not required to take any action if the resolution is defeated.

If a 25% 'no' vote in respect of the remuneration report is received, then the directors must explain whether shareholder concerns have been taken into account in the next remuneration report.

If a 25% 'no' vote occurs for two year's running, then at the second Annual General Meeting a procedural vote must be held in relation as to whether the directors must stand for re-election within 90 days. If passed, then the directors must arrange for another general meeting within 90 days at which all directors who were in office when the remuneration report was considered at the Annual General Meeting must stand for re-election other than the Managing Director who may continue to run the Company.

Resolution 3. – Election of Cheang Soon Siang

Cheang Soon Siang was appointed as a director on 19 August 2022 and is required to retire at the annual general meeting and being eligible seek election as a director.

Resolution 4. Election of Tan Yeang Tze

Tan Yeang Tze was appointed as a director on 19 August 2022 and is required to retire at the annual general meeting and being eligible to seek election as a director.

Resolution 5 . Division of share capital

Resolution 5 seeks to divide the authorised and issued share capital of the Company by 10 such that for every share there will be 10 shares.

Shareholders and CDI holders will receive 10 Shares or CDIs for every share currently held, eg. if a shareholder held 10,000 Shares or CDI's they will now hold 100,000 Shares or CDIs. As a

result of the change clause 2 of the Company's Memorandum of Association will require amendment to reflect the new authorised capital of the Company, the wording of which is set out in resolution 5.

Also as a result of the change the Company's Share price on the NSX will be divided into 10 eg if the share price was \$2.90 it will following the division be \$0.29.

There will be no overall change to the market value of the Company.

The Directors believe that this change will assist the Company to attract new investors.

The Directors recommend shareholders vote in favour of the resolution,

Resolutions 6 and 7 ALTERATION OF RIGHTS OF "A" CLASS CONVERTIBLE SHARES and CONVERSION OF A CLASS SHARES.

Currently Article 4.6 (b) (i) provides that (subject to Article 4.6 (b) (i)) all A Convertible Shares will automatically convert into fully paid ordinary shares following the Company raising US \$10,000,000 in new share capital after listing on NSX.

These are currently 20,000,000 A Convertible Shares on issue, which will 200,000,000 should resolution 5 be passed.

The amendment will permit the conversion of A Class Convertible Shares on a pro rata basis as the Company raises additional capital up to US \$10,000,000.

The Company has to date raised US\$5,143,247 which will see 10,286,493 (102,864,930 if resolution 5 is passed) A Convertible Shares convert if resolutions 5 and 7 are passed additional share capital is raised.

The amendment makes it clear that A Class Convertible Shares will only convert as additional share capital is raised for cash. Shares issued as part of an asset acquisition for example would not see A Class Convertible Shares convert to ordinary shares.

Resolution 8 ADOPTION OF INCENTIVE PLAN

Resolution 8 is for the adoption of an Omnibus Incentive Plan. The plan will apply to directors, employees and other eligible participants of the Company.

A summary of the plan is set out below.

The purpose of the Omnibus Incentive Plan (Omnibus Plan) is to attract, retain and incentivise eligible participants.

Key employees identified by the Board will be offered participation under the Omnibus Plan in the form of Shares, options or rights. Each Director is eligible to participate in the Omnibus Plan.

The vesting of the Shares, options or rights may be subject to the satisfaction of service-based conditions and performance hurdles which, when satisfied, will allow participating employees to receive Shares or vested options or rights which are exercisable over Shares.

Awards of fully paid ordinary shares, options, performance rights and share appreciation rights can be made under the Omnibus Plan. The terms of issue can be tailored for specific offers subject to the applicable laws and the NSX Listing Rules. The terms of securities which may be issued include the following:

- Shares can be granted to eligible employees under a free grant (receiving an allocation of shares for no consideration) or salary contribution agreement.

- An option confers a right to acquire a share during the exercise period, subject to the satisfaction of any vesting conditions, the payment of the exercise price for the option (including through a cashless exercise facility) set out in the offer, and otherwise in the manner required by the Board and specified by the offer.
- A performance right confers an entitlement to be issued, transferred or allocated one share after the vesting date, subject to any disposal restrictions, the satisfaction of the vesting conditions, and any other requirements contained in the offer.
- A share appreciation right confers an entitlement to be issued, transferred or allocated the number of shares calculated under the terms of the Omnibus Plan after the vesting date, subject to any disposal restrictions, the satisfaction of the vesting conditions and any other requirement contained in the offer. The Board may decide, in its absolute discretion to substitute the issue, transfer or allocation of these shares for the payment of a cash amount.

In the event of a change of control event, the Plan allows for the buy-back of relevant securities, the issue of substituted securities in the acquiring entity, the immediate vesting of the securities, continuation of the securities, or a combination of these alternatives.

No securities have yet been issued under the Omnibus Plan. The maximum number of securities which the Company proposes to issue under the plan, for the purposes of Listing Rule 7.2 (exception 13(a)) is 5% of issued capital at any time – currently 3,940,846 securities (39,408,460 if resolution 5 is passed). There is no proposal to issue any securities at this time under the Omnibus Plan.

In the case of “Related Parties” as defined in the Listing Rules, including Directors, prior shareholder approval would not be required before additional securities are issued under the Omnibus Plan due to an exception to NSX Listing Rule 6.44 for securities issued under an incentive scheme. Securities issued under the Omnibus Plan will be subject to an exceptions to NSX Listing Rule 6.25 for the purposes of calculation of issues exceeding the 15% limit under NSX Listing Rule 6.25.

A copy of the plan was signed by the secretary and lodged with NSX together with this notice.

You can access a copy by going to the NSX website: www.nsx.com.au and searching the Company’s announcement page using the code NNO.