



# Titomic Limited

ACN: 602 793 644

## Notice of Annual General Meeting and Explanatory Memorandum

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**Date of Meeting:** Monday, 21 November 2022

**Time of Meeting:** 2:00pm (AEDT) (with registration from 1.30pm (AEDT))

**Place of Meeting:** 365 Ferntree Gully Road, Mount Waverley, Victoria 3149

The Notice of Meeting is also available on the Company's website at [www.titomic.com](http://www.titomic.com).

***This is an important document. It should be read in its entirety.  
If you are in doubt as to the course you should follow, consult your financial or other professional adviser***

Notice is hereby given that the Annual General Meeting of Shareholders of the Company will be held on 21 November 2022 commencing at 2:00pm (AEDT) at 365 Ferntree Gully Road, Mount Waverley, Victoria 3149.

The Meeting will be held as a physical meeting with Shareholders able to attend in person only.

The Board encourages shareholders to monitor the ASX and the Company's website for any updates in relation to the Annual General Meeting that may need to be provided. In the meantime, the Board encourages shareholders to submit their proxies as early as possible, even if they intend to attend the Meeting, as the situation may change.

**TITOMIC**

**Titomic Limited** Ground floor, 365 Ferntree Gully Road  
Mount Waverley, Victoria 3149, Australia

[info@titomic.com](mailto:info@titomic.com) | [titomic.com](http://titomic.com)

ABN 77 602 793 644

Dear Shareholder,

Titomic Limited (the **Company**) has convened the Annual General Meeting (**AGM**) of Shareholders to be held on Monday, 21 November 2022 and we invite you to attend.

The meeting will be held at 365 Ferntree Gully Road, Mount Waverley, Victoria 3149 to commence at 2:00pm (AEDT) with registration open from 1.30pm (AEDT) to consider, in summary, the following items of business:

1. 2022 Annual Financial Statements;
2. Resolution 1 - Adoption of 2022 Remuneration Report;
3. Resolution 2 - Re-election of Mr Richard Willson;
4. Resolution 3 - Re-election of Dr Andreas Schwer;
5. Resolution 4 - Election of Mr Herbert Koeck;
6. Resolution 5 - Renewal of approval of Equity Incentive Plan; and
7. Resolution 6 - Approval of additional capacity to issue securities under ASX Listing Rule 7.1A.

Attached to this letter is a Notice of the AGM and an Explanatory Memorandum setting out details on each of the resolutions to be proposed at the meeting.

If you are unable to attend the Meeting, we encourage you to vote using the Proxy Form, which is also enclosed.

We look forward to meeting those Shareholders who can attend the AGM.

Thank you for your continued support.

Yours faithfully

**Chris Healy**  
Company Secretary  
Titomic Limited

Dated: 20 October 2022

## TITOMIC LIMITED

ACN: 602 793 644

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2022 Annual General Meeting of Titomic Limited ACN 602 793 644 will be held at 2:00 pm (AEDT) on Monday, 21 November 2022 as a physical meeting at 365 Ferntree Gully Road, Mount Waverley, Victoria 3149.

The attached Explanatory Memorandum is provided to supply Shareholders with information to allow them to make an informed decision regarding the Resolutions set out in this Notice of Meeting. The Explanatory Memorandum is to be read in conjunction with this Notice.

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

#### 1. Agenda - Ordinary Business

##### 2022 Annual Financial Statements

To receive and consider the Annual Financial Report of the Company for the financial year ended 30 June 2022 together with the Remuneration Report, Director's Declaration and the reports of the Directors and Company Auditor.

While no resolution is required in relation to this item, Shareholders will be given reasonable opportunity to ask questions and make comments on the Company's Annual Financial Report.

A representative of the Company's Auditor, BDO, will be present at the Meeting and Shareholders will have an opportunity to ask the Auditor's representative questions in relation to the conduct of the audit, the Auditor's report, the Company's accounting policies, and the independence of the Auditor.

The Titomic Limited 2022 Annual Report will be made available online at least 21 days prior to the date of the Meeting at the Company's website [www.titomic.com](http://www.titomic.com).

##### Resolution 1 Adoption of 2022 Remuneration Report

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

*"That the Company adopt the Remuneration Report for the year ended 30 June 2022 in accordance with 250R(2) of the Corporations Act."*

##### Voting Exclusion Statement:

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either a member of the Key Management Personnel or a Closely Related Party of those members (each a **KMP**). However, the KMP may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a KMP and either:

- (a) the KMP is appointed as a proxy in writing that specifies the way the proxy is to vote on the resolution; or
- (b) the voter is the chair of the meeting and the appointment of the chair as proxy:
  - (i) does not specify the way the proxy is to vote on the resolution; and
  - (ii) the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

**The vote on this resolution is advisory only, and does not bind the Directors or the Company.**

Further details in respect of Resolution 1 are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

## **Resolution 2 Re-election of Mr Richard Willson**

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

*"That, for the purposes of ASX Listing Rule 14.4, clause 20.3 of the Constitution and for all other purposes, Mr Richard Willson, retires by rotation and being eligible to be re-elected, be re-elected as a Non-Executive Director of the Company."*

Further details in respect of Resolution 2 are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

## **Resolution 3 Re-election of Dr Andreas Schwer**

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

*"That, for the purposes of ASX Listing Rule 14.4, clause 20.3 of the Constitution and for all other purposes, Dr Andreas Schwer, retires by rotation and being eligible to be re-elected, be re-elected as a Non-Executive Director of the Company."*

Further details in respect of Resolution 3 are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

## **Resolution 4 Election of Mr Herbert Koeck**

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

*"That, for the purposes of ASX Listing Rule 14.4, clause 19.4(b) of the Constitution and for all other purposes, Mr Herbert Koeck, being eligible, be elected as an Executive Director of the Company."*

Further details in respect of Resolution 4 are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

## **Resolution 5 Renewal of approval of Equity Incentive Plan**

*To consider, and if thought fit, to pass the following resolution as an ordinary resolution:*

*"That, for the purposes of ASX Listing Rule 7.2 Exception 13(b), section 259B(2) of the Corporations Act 2001 (Cth) and all other purposes, the Shareholders renew the approval of the Company's existing Equity Incentive Plan and to issue securities under that plan, on the terms and conditions described in the Explanatory Memorandum from time to time."*

### **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of a person who is eligible to participate in the employee incentive scheme or their relevant associates.

However, the Company need not disregard a vote if it is cast by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting 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 shareholder 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 shareholder 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 shareholder votes on the resolution in accordance with directions given by the beneficiary to the shareholder to vote in that way.

Further details in respect of Resolution 5 are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

## **Resolution 6 Approval of additional capacity to issue securities under ASX Listing Rule 7.1A**

To consider and if thought fit, pass the following resolution as a **special resolution**:

*"That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, Shareholders approve an additional capacity of the Company to issue equity securities of up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."*

Further details in respect of Resolution 6 are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.

## 2. Proxy Instructions

A Shareholder entitled to attend this Meeting and vote, is entitled to appoint a proxy to attend and vote on behalf of that Shareholder at the Meeting.

- (a) A proxy need not be a Shareholder.
- (b) If the Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the proportion or number of the votes which each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes held by that Shareholder.
- (c) If the Shareholder appoints only one proxy, that proxy is entitled to vote. Voting will take place by proxy and not a show of hands.
- (d) Where two proxies are appointed, any fractions of votes resulting from the appointment of two proxies will be disregarded.
- (e) A Proxy Form accompanies this Notice.
- (f) Unless the Shareholder specifically directs the proxy how to vote, the proxy may vote as he or she thinks fit, or abstain from voting.
- (g) If a Shareholder wishes to appoint a proxy, the Shareholder should complete the Proxy Form and comply with the instructions set out in that form relating to lodgement of the form with the Company.
- (h) The Proxy Form must be signed by the Shareholder or his or her attorney duly authorised in writing or, if the Shareholder is a corporation, either signed by an authorised officer or attorney of the corporation or otherwise signed in accordance with the Corporations Act.
- (i) If any attorney or authorised officer signs the Proxy Form on behalf of a Shareholder, the relevant power of attorney or other authority under which it is signed or a certified copy of that power or authority must be deposited with the Proxy Form.

The Proxy Form (together with any relevant authority) must be received by no later than 2:00pm (AEDT) on Saturday, 19 November 2022, **48 hours** before the time scheduled for the commencement of the meeting (or any adjournment of that meeting).

- (j) The completed Proxy Form may be lodged as follows:
  - **Online:** [www.investorvote.com.au](http://www.investorvote.com.au)
  - **By fax:** 1800 783 447 within Australia or +61 3 9473 2555 outside Australia
  - **By mail:** Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001
- (k) The Chairman of the meeting intends to vote all available proxies in favour of all Resolutions.

## 3. Undirected Proxies

The Chairman of the meeting will vote undirected proxies on, and in favour of, proposed Resolutions 2 to 6 (inclusive).

## 4. Corporate Representatives

Corporate representatives are requested to provide appropriate evidence of appointment as a representative in accordance with the constitution of the Company prior to the Meeting. Attorneys are requested to provide the original or a certified copy of the power of attorney pursuant to which they were appointed to the Share Registry prior to the start of Meeting. Proof of identity may also be required for corporate representatives and attorneys.

## 5. Determination of voting entitlement

For the purpose of section 1074E(2)(g)(i) of the Corporations Act and Regulation 7.11.37 of the *Corporations Regulations* 2001 (Cth), the Board has determined that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7.00pm (AEDT) on Saturday, 19 November 2022.

## 6. Votes

Every Resolution or Special Resolution submitted to the Meeting, in the first instance, will be determined by a show of hands unless a poll is demanded in accordance with article 17.4 of the Company's Constitution or the Corporations Act either before or on the declaration of the result of the vote on a show of hands.

## 7. Questions and Comments by Shareholders at the Meeting

In order to provide an equal opportunity for all Shareholders to ask questions of the Board, we ask you to submit in writing any questions to the Company or to the Company's auditor, in relation to the conduct of the external audit for the year ended 30 June 2022, or the content of its audit report. Please send your questions via email to:

**Chris Healy**  
Company Secretary  
Titomic Limited  
[chris.healy@titomic.com](mailto:chris.healy@titomic.com)

Written questions for the Company Auditor must be received by no later than 4:00pm (AEDT) on Saturday, 19 November 2022. Your questions should relate to matters that are relevant to the business of the Annual General Meeting, as outlined in this Notice of Meeting and Explanatory Memorandum.

In accordance with the *Corporations Act 2001* (Cth) and the Company's policy, a reasonable opportunity will also be provided to Shareholders attending the Annual General Meeting to ask questions about, or make comments upon, matters in relation to the Company including the Company's Remuneration Report for the year ended 30 June 2022.

During the course of the Annual General Meeting, the Chairman will seek to address as many shareholder questions as reasonably practicable, and where appropriate, will give a representative of the auditor the opportunity to answer written questions addressed to it. However, there may not be sufficient time to answer all questions at the Annual General Meeting. Please note that individual responses may not be sent to shareholders.

A representative of BDO will provide answers to the questions at the Meeting.

For and on behalf of the Board of Directors,

**Chris Healy**  
Company Secretary  
Dated: 20 October 2022

# TITOMIC LIMITED

ACN: 602 793 644

## **EXPLANATORY MEMORANDUM**

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in this Notice.

The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

### **1. 2022 ANNUAL FINANCIAL STATEMENT**

In accordance with the Company's Constitution, the business of the meeting will include receipt and consideration of the Company's Financial Report and reports of Directors and Auditors for the year ended 30 June 2022.

In accordance with the Corporations Act, Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the Financial Report.

During the discussion of this item, the Company's auditor will be present and will answer qualifying questions.

### **ORDINARY RESOLUTIONS**

#### **2. Resolution 1 Adoption of 2022 Remuneration Report**

In accordance with Section 300A(1) of the Corporations Act the Remuneration Report is included in the Directors Report for the financial year ended 30 June 2022.

The Remuneration Report sets out details of the remuneration received by the directors and key Company executives, in addition to describing Board policy in respect of remuneration. Resolution 1 seeks Shareholder approval of the adoption of the Remuneration Report by the Company.

The outcome of the vote on this resolution is advisory only and not binding on the Company or the Board.

The Corporations Act provides that members of the Key Management Personnel (**KMP**) (as set out in the Company's 2022 Annual Report and which includes the Chair), whose remuneration details are included in the Remuneration Report (and any closely related party of those members) are not permitted to vote on a resolution to approve the Remuneration Report.

Sections 250U to 250Y of the Corporations Act which include a 'two strikes and re-election' process in relation to the shareholder vote on the Remuneration Report provide that:

- A 'first strike' will occur if this Remuneration Report resolution receives a 'no' vote of 25% or more. If this occurs, the Company's subsequent remuneration report must contain an explanation of the Board's proposed action in response to the 'no' vote or an explanation of why no action has been taken by the Board.
- A 'second strike' will occur if the resolution to adopt the Remuneration Report at the 2023 Company Annual General Meeting also receives a 'no' vote of 25% or more. If this occurs, shareholders will vote at that Annual General Meeting to determine whether the Directors will need to stand for re-election at a separate, subsequent meeting (the 'spill resolution'). If the spill resolution passes with 50% or more of eligible votes cast, the spill meeting must take place within 90 days.

The Company has not received a first strike.

The Remuneration Report is set out in the Company's 2022 Annual Report which will be made available online at least 21 days prior to the date of the Meeting at the Company's website [www.titomic.com](http://www.titomic.com).



### Voting Restrictions

KMP and their closely related parties are not permitted to vote on this Resolution. KMPs of the Company are the Directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's KMPs for the financial year ending 30 June 2022. 'Closely related parties' are defined in the Corporations Act, and include certain of their family members, dependents and companies they control.

However, a KMP may cast a proxy where the proxy specifies in writing how the KMP is to vote (except proxies cast on behalf of another KMP). The Chair is permitted to vote undirected proxies where the shareholder expressly authorises the Chair to exercise the proxy.

Accordingly, if you have appointed the Chair as your proxy you must either direct the Chair how to vote, otherwise, under the proxy form you are expressly authorising the Chair to vote undirected proxies notwithstanding that the Chair or KMP may benefit.

### Board Recommendation

The Board abstains from making a recommendation in relation to shareholders voting on Resolution 1.

### 3. Resolution 2 Re-election of Mr Richard Willson

ASX Listing Rule 14.4 requires that a director must not hold office (without re-election) past the third annual general meeting following the director's appointment for 3 years. In accordance with clause 20.3 of the Company's Constitution, one third of the Directors, must retire at each AGM.

Mr Richard Willson retires, in accordance with the ASX Listing Rules and the Constitution, and offers himself for election.

<b>Appointed to the Board</b>	17 May 2017
<b>Last elected by shareholders</b>	29 November 2019
<b>Experience</b>	Mr Richard Willson is an experienced Non-Executive Director, Company Secretary and CFO with more than 20 years' experience predominantly within the mining and agricultural sectors for both publicly listed and private companies. Mr Willson has a Bachelor of Accounting from the University of South Australia, is a Fellow of CPA Australia, and a Fellow of the Australian Institute of Company Directors.
<b>Other Listed Current Directorships</b>	PNX Metals Ltd (ASX:PNX) AusTin Mining Ltd (ASX:ANW) Thomson Resources Ltd (ASX:TMZ)
<b>Committees</b>	Audit & Risk Committee Chairman Remuneration & Nomination Committee Chairman

### Board Recommendation

The Directors (with Mr Willson abstaining) recommend that you vote in favour of this Resolution.

#### 4. Resolution 3 Re-election of Dr Andreas Schwer

ASX Listing Rule 14.4 requires that a director must not hold office (without re-election) past the third annual general meeting following the director's appointment for 3 years. In accordance with clause 20.3 of the Company's Constitution, one third of the Directors, must retire at each AGM.

Dr Andreas Schwer retires, in accordance with the ASX Listing Rules and the Constitution, and offers himself for election.

<b>Appointed to the Board</b>	1 July 2020
<b>Last elected by shareholders</b>	Not applicable
<b>Experience</b>	Through his extensive 25-year executive career across the global defence and aerospace industries, Dr Schwer has gained a wealth of experience, insight and a deep understanding, which he brings to the board of Titomic Limited. Dr Schwer's executive track record is world-class, holding executive positions across a multitude of high-value industries including Saudi Arabian Military Industries' inaugural CEO, where he grew the business from a greenfield operation to become a prominent entity in the international defence market. Prior to this achievement, Dr Schwer held the role of Chairman, President, and CEO of Rheinmetall International, and CEO of Combat Systems Division; both branches of international defence prime, Rheinmetall AG. Prior to joining Rheinmetall, Dr Schwer held various executive management positions including 12 years at Airbus Group's Defence & Space and Helicopters divisions, and an executive role at the equipment manufacturing group, The Manitowoc Company. Dr Schwer has recently been appointed CEO of Electro Optic Systems Ltd
<b>Other Listed Current Directorships</b>	None
<b>Committees</b>	None

#### Board Recommendation

The Directors (with Dr Andreas Schwer abstaining) recommend that you vote in favour of this Resolution.

#### 5. Resolution 4 Election of Mr Herbert Koeck

ASX Listing Rule 14.4 requires a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the entity.

Mr Koeck was appointed to the Board on 28 January 2022 by the Directors under clause 19.4(a) of the Company's Constitution. In accordance with clause 19.4(b) of the Company's Constitution, Mr Koeck may only hold office until the next AGM and is then eligible for election at that meeting. He offers himself for election in accordance with the Listing Rules and clause 19.4(b) of the Company's Constitution.

<b>Appointed to the Board</b>	28 January 2022
<b>Last elected by shareholders</b>	N/A
<b>Experience</b>	Mr Koeck brings a wealth of experience in additive manufacturing, having headed up sales and global orders for 3D-Systems Corporation as Executive Vice-President Global-Go-Market, where he influenced product development for customer success. A proven leader, he was also Senior Vice-President for Europe and India. Previously, Herbert held executive positions at Hewlett Packard and the PC and Printing Solution Group.
<b>Other Listed Current Directorships</b>	None
<b>Committees</b>	None

#### Board Recommendation

The Directors (with Mr Koeck abstaining) recommend that you vote in favour of this Resolution.

## 6. Resolution 5      Renewal of approval of Equity Incentive Plan

### **Background**

The Company has previously adopted the Equity Incentive Plan (**EIP**) in order to assist in the motivation and retention of selected Company employees. The EIP is designed to align the interests of eligible employees more closely with the interests of the Company by providing an opportunity for eligible employees to receive an equity interest in the Company.

Under the EIP, incentives may be provided to any employee, officer, Director or consultant of the Company or any of its subsidiaries (**Eligible Participants**), at the discretion of the Board. Eligible Participants may be offered performance rights, options, loan shares, deferred share awards or exempt share awards which may be subject to vesting conditions set by the Board.

At the same time, the Company desires to maintain maximum ability to raise capital in accordance with ASX Listing Rule 7.1 without seeking prior shareholder approval. Accordingly, the Board seeks further shareholder approval of the Company's existing Equity Incentive Plan for the purposes of ASX Listing Rule 7.2 Exception 13(b).

### **Listing Rule 7.1**

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period that that amount that represents 15% of the number of fully paid ordinary securities on issue on the commencement of that 12 month period.

One of the exceptions to Listing Rule 7.1 is Listing Rule 7.2 (Exception 13(b)), which provides that Listing Rule 7.1 does not apply to an issue under an employee incentive scheme if, within the 3 years before the date of issue, shareholders have approved the issue of securities under the scheme as an exception to Listing Rule 7.1.

If this Resolution is passed, the Company will be able to issue performance rights, options, loan shares, deferred share awards or exempt share awards to Eligible Participants (in the case of Directors which will require separate Shareholder approval in accordance with Listing Rule 10.14 at the relevant time), pursuant to the EIP during the period of 3 years after the Meeting (or a longer period, if allowed by ASX), and to issue Shares to those persons if they achieve the vesting conditions of the performance rights, options, loan shares, deferred share awards or exempt share awards issued, without using the Company's 15% rolling 12 month placement capacity.

### **Information required for Listing Rule 7.2 Exception 13(b)**

Listing Rule 7.2 Exception 13(b) requires the information detailed in sections (a) to (d) below to be provided to members for approval under this resolution:

#### ***a) Summary of the terms of the scheme***

The key terms of the Equity Incentive Plan are summarised below.

##### **(i) Employee Rights**

Under the Equity Incentive Plan, the Company may offer or issue to eligible employees, the following Employee Rights:

- **performance rights:** a right to be issued or provided with a Share at nil issue price on specific vesting conditions being achieved;
- **options:** a right to be issued or provided with a Share on payment of an exercise price and which can only be exercised if specific vesting conditions are achieved;
- **loan shares:** Shares issued subject to a limited recourse loan and at nil interest rate, subject to specific vesting conditions ;
- **deferred share awards:** Shares issued to employees:

- who elect to receive Shares in lieu of any wages, salary, director's fees, or other remuneration; or
- by the Company in its discretion, in addition to their wages, salary and remuneration, or in lieu of any discretionary cash bonus or other incentive payment; or
- **exempt share awards:** Shares issued for no consideration or at an issue price which is a discount to the market price with the intention that up to \$1,000 (or such other amount which is exempted from tax under the *Income Tax Assessment Act 1936* (Cth) or the *Income Tax Assessment Act 1997* (Cth) from time to time) of the total value or discount received by each employee will be exempt from tax,

(Employee Rights).

(ii) **Eligible employees**

Employee Rights may be granted at the discretion of the Board to any person who is an employee, officer, director or consultant of a member of the Company or its subsidiaries.

(iii) **Price**

The Board has discretion to determine the issue price and/or exercise price for the Employee Rights.

(iv) **Vesting and exercise of Employee Rights**

The Employee Rights held by a participant will vest in and become exercisable by that participant upon the satisfaction of any vesting conditions specified in the offer and in accordance with the rules of the Equity Incentive Plan. Vesting conditions may be waived at the discretion of the Board.

(v) **Change of control**

In the event a takeover bid is made to acquire all of the Shares on issue, or a scheme of arrangement, selective capital reduction or other transaction is initiated which has an effect similar to a full takeover bid, the Board may waive unsatisfied vesting conditions in relation to some or all Employee Rights. Further, if a takeover bid is made to acquire all of the Shares on issue, participants may accept the takeover bid in respect of any Employee Rights (other than exempt share awards) which they hold notwithstanding the restriction period in respect of those Employee Rights has not expired.

(vi) **Claw-back**

If any vesting conditions of an Employee Rights are mistakenly waived or deemed satisfied when in fact they were not satisfied, then in accordance with the terms of the Equity Incentive Plan, the Board may determine that the relevant Employee Rights expire (if not yet exercised), or it may otherwise recover from the participant some or all Shares issued upon exercise of the Employee Rights or any proceeds received from the sale of those shares.

(vii) **Variation of Share capital**

If prior to the exercise of an Employee Right, Company undergoes a reorganisation of capital or bonus issue, the terms of the Company Employee Right will be changed to the extent necessary to comply with the Listing Rules.

**b) Securities issued under the scheme**

The Company has issued the following securities pursuant to the Equity Incentive Scheme since the last approval of the EIP (at the 2019 Annual General Meeting):

(i) **Performance Share Rights:** 692,595 (hurdle: \$1.70, expiry date: 29 Nov 2022),

Issued at 2019 AGM (Resolution 3) - approved by shareholders 29 November 2019.

No rights have been converted to fully paid ordinary securities

(ii) **Share issue to employees:** 846,952 fully paid ordinary shares (issue price: \$0.28, issued: 2 September 2022)

(iii) **Performance share rights issued to directors:**

Director	Performance Rights	Unvested (cancelled at EGM)	Remaining	Hurdle	Expiry
Andreas Schwer	3,000,000	1,166,667	1,833,333	0.80	1/07/2025
Andreas Schwer			2,000,000	0.40	1/06/2027
Dag Stromme	1,250,000	677,083	572,917	0.80	1/07/2025
Dag Stromme			2,000,000	0.40	1/06/2027
Herbert Koeck	-	-	-		
Herbert Koeck			6,655,808	0.40	1/06/2027
Humphrey Nolan	1,250,000	677,083	572,917	0.80	1/07/2025
Humphrey Nolan			4,000,000	0.40	1/06/2027
Jeff Lang	399,574	-	399,574	1.70	29/11/2022
Richard Willson	79,915	15,539	64,376	1.70	29/11/2022
Richard Willson	550,000	297,917	252,083	0.80	1/07/2025
Richard Willson			2,000,000	0.40	1/06/2027

(iv) **Options issued to directors:**

Director	Equity Options	Unvested (cancelled at EGM)	Remaining	Hurdle	Expiry
Mira Ricardel	500,000	500,000	-	0.80	22/12/2026
Mira Ricardel	600,000	600,000	-	1.20	22/12/2026
Mira Ricardel	600,000	600,000	-	1.60	22/12/2026
Mira Ricardel	800,000	800,000	-	2.00	22/12/2026
Mira Ricardel			500,000	0.40	31/05/2027
Mira Ricardel			600,000	0.60	31/05/2027
Mira Ricardel			600,000	0.80	31/05/2027
Mira Ricardel			800,000	1.00	31/05/2027

***(c) The maximum number of equity securities proposed to be issued under the EIP following approval***

The maximum number of securities proposed to be issued under the EIP from time to time is an amount equal to 5% of the issued capital of the Company (currently 10,279,881 shares) at the time of the relevant offer.

***(d) Voting exclusion statement***

The applicable voting exclusion statement for the purposes of Listing Rule 7.2 exception 13, under this Resolution 5 appears in the Notice of Meeting.

**Security over loan shares under EIP**

Section 259B(2) of the Corporations Act permits a Company to take security over its own shares issued pursuant to an employee share scheme under certain conditions, including where prior shareholder approval of the employee share scheme has been obtained. Accordingly, the Company is seeking shareholder approval under Resolution 5 in respect of the operation of section 259B(2) of the Corporations Act, for circumstances where the Company elects to provide an employee assistance in the acquisition of shares in itself, such as providing a loan for the payment of the purchase price of a Share to be issued under the EIP.

Section 260A of the Corporations Act allows only limited circumstances under which a company may provide financial assistance for the acquisition of shares in itself without obtaining prior shareholder approval, including the giving of the assistance which does not materially prejudice (i) the interests of the company or its shareholders, or (ii) the company's ability to pay its creditors. The Board is of the view that this exemption is applicable, and at the relevant

times will be applicable, to any loans that may be granted for the acquisition of Shares under the EIP. Accordingly the Company will not be seeking shareholder approval with respect to Section 260A of the Corporations Act.

**Given their interest in the outcome of this resolution, the Board does not make a recommendation to shareholders with respect to this resolution.**

## **SPECIAL RESOLUTION**

### **Resolution 6 Approval of additional capacity to issue securities under ASX Listing Rule 7.1A**

#### **ASX Listing Rule 7.1A**

Under ASX Listing Rule 7.1, every listed entity has the ability to issue 15% of its issued capital without shareholder approval in a 12 month period. ASX Listing Rule 7.1A permits eligible small and mid-cap ASX-listed entities, subject to shareholder approval, to issue equity securities of up to an additional 10% of its issued capital by way of placements over a 12 month period, in addition to its ability to issue securities under Listing Rule 7.1 (**10% Placement Capacity**).

The Company seeks Shareholder approval under ASX Listing Rule 7.1A for the 10% Placement Capacity. The effect of this resolution will be to allow the Company, subject to the conditions set out below, to issue equity securities under the 10% Placement Capacity without using its 15% Placement Capacity under ASX Listing Rule 7.1.

Resolution 6 is a special resolution. Accordingly, at least 75% of votes cast by shareholders present and eligible to vote (in person or by proxy) at the meeting must be in favour of this resolution for it to be passed.

ASX-listed entities which have a market capitalisation of \$300 million or less, and which are not included in the S&P/ASX 300 Index, are eligible to seek shareholder approval under ASX Listing Rule 7.1A. As at the date of this Notice, the Company is eligible to seek shareholder approval under ASX Listing Rule 7.1A.

Whilst the Company currently has no intention or reason to issue this additional placement capacity, in the future having this additional placement capacity to immediately issue securities will be used for cash consideration only, the proceeds of which will be applied to fund the Company's existing and future activities, appraisal of corporate opportunities, investment in new businesses (if any), the costs incurred in undertaking placement(s) of shares under ASX Listing Rule 7.1A and for general working capital.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 upon issue of any equity securities.

Any securities issued under the 10% Placement Capacity will be in the same class as existing quoted securities of the Company. The Company has only two classes of quoted equity securities on issue as at the date of this Notice of Meeting being fully-paid ordinary shares with the ASX code "TTT" and the listed options with the ASX code "TTTO".

The Directors currently have no intention to issue any securities under the 10% Placement Capacity and therefore the allottees under the 10% Placement Capacity have not yet been determined. If Directors decide to issue securities under the 10% Placement Capacity, allottees may include existing Shareholders, existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

#### **Formula for calculating 10% Placement Facility**

The exact number of additional Equity Securities that the Company may issue under the 10% Placement Capacity will be determined by a formula set out in ASX Listing Rule 7.1A.2 as follows:

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

Where:

- A is the number of fully paid ordinary securities on issue at the commencement of the 12 month period before the date of issue or agreement (relevant period),
  - plus the number of fully paid ordinary securities issued in the relevant period under an exception in rule 7.2 other than exception 9, 16 or 17,

- plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
  - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
  - the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4,
- plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
  - the agreement was entered into before the commencement of the relevant period; or
  - the agreement or issue was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4,
- plus the number of any other fully paid ordinary securities issued in the relevant period with approval under rule 7.1 or rule 7.4,
- plus the number of partly paid ordinary securities that became fully paid in the relevant period,
- less the number of fully paid ordinary securities cancelled in the relevant period.

*(‘A’ has the same meaning in ASX 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 rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under rule 7.4.

### **ASX Listing Rule 7.3A**

In accordance with ASX Listing Rule 7.3A the Company provides the following information:

#### ***a) Period for which approval is valid***

Equity securities under the 10% Placement Capacity may be issued until the earlier of:

- 21 November 2023;
- the date of the Company’s next annual general meeting; and
- the date of approval by ordinary shareholders of a significant change to the Company’s activities under ASX Listing Rule 11.1.2 or the date of approval by ordinary shareholders of a disposal of a major asset under ASX Listing Rule 11.2.

#### ***b) Minimum issue price***

The issue price for each security issued under the 10% Placement Capacity will not be less than 75% of the volume weighted average price for securities in that class over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the securities are to be issued is agreed; or
- if the securities are not issued within 10 trading days of the date above, the date on which the securities are issued.

#### ***c) Use of funds***

The proceeds of securities issued under the 10% Placement Capacity will be applied to fund the Company’s existing and future activities, appraisal of corporate opportunities, investment in new businesses (if any), the costs incurred in undertaking placement(s) of shares under ASX Listing Rule 7.1.A and for general working capital.

#### ***d) Dilution***

The issue of equity securities under the 10% Placement Capacity may result in voting dilution of existing ordinary shareholders (as shown in **Table 1**, below). There is also the risk that:

- the market price for equity securities in that class may be significantly lower on the issue date than on the date of the Meeting; and

- the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date.

Table 1, below, shows the dilution of Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A2.

The table also shows:

- 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 as at the date of the Notice.

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

- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

**Table 1**

<b>Variable 'A' in Listing Rule 7.1A.2</b>		<b>50% Decrease in Issue Price (\$0.10)</b>	<b>Issue Price (\$0.20)</b>	<b>100% increase in Issue Price (\$0.40)</b>
<b>Current Variable A</b> <b>205,597,611 Shares</b>	<b>10% Voting Dilution</b>	20,559,761	20,559,761	20,559,761
	<b>Funds Raised</b>	\$2,055,976.11	\$4,111,952.22	\$8,223,904.44
<b>50% increase in Variable A</b> <b>308,396,417 Shares</b>	<b>10% Voting Dilution</b>	30,839,642	30,839,642	30,839,642
	<b>Funds Raised</b>	\$3,083,964.17	\$6,167,928.33	\$12,335,856.66
<b>100% increase in Variable A</b> <b>411,195,222 Shares</b>	<b>10% Voting Dilution</b>	41,119,522	41,119,522	41,119,522
	<b>Funds Raised</b>	\$4,111,952.22	\$8,223,904.44	\$16,447,808.88

Table 1 has been prepared based on the following assumptions:

- Variable A is based on the number of Shares on issue on the date of the Notice.
- The Company issues the maximum number of equity securities available under the 10% Placement Capacity.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- The table shows only the issue of equity securities under the 10% Placement Capacity and not under ASX Listing Rule 7.1.
- The issue of equity securities under the additional placement capacity includes only shares.

The issue price of \$0.20 was the price as at 17 October 2022 when the Notice of Meeting was finalised. This price may fluctuate between the time of preparing this Notice and the date of the Meeting.

**e) Allocation policy**



The Company's allocation policy for issues under the 10% Placement Capacity is dependent on prevailing market conditions at the time of any proposed issue. The identity of the allottees of the equity securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- the methods of raising funds that are available to the Company, including rights issues or other issues in which existing shareholders may participate;
- the effect of the issue of the equity securities on the control of the Company;
- the financial position of the Company; and
- advice from the Company's advisors.

***f) Issues in preceding 12 months***

No Shares have been issued to investors under Listing Rule 7.1A.2 during the previous 12 months prior to the date of the Meeting.

***g) Voting exclusion statement***

As at the date of this Notice the Company is not proposing to make an issue of equity securities under Listing Rule 7.1A.2 and so no voting exclusion is required.

**Board Recommendation**

The Company's Directors unanimously recommend that you vote in favour of this Special Resolution.

## **GLOSSARY**

In the Notice of Meeting and Explanatory Memorandum the following terms have the following meanings:

**AEDT** means Australian Eastern Daylight Savings Time.

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

**ASX** means ASX Limited.

**ASX Listing Rules** or **Listing Rules** means the listing rules of ASX.

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

**Chairman** means the person chairing the Meeting from time to time.

**Closely Related Party** of a member of the Key Management Personnel means:

- a spouse or child of the member; or
- a child of the member's spouse; or
- a dependent of the member or of the member's spouse; or
- anyone else who is one of the member's family, and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- a company the member controls; or
- a person prescribed by the *Corporations Regulations 2001* (Cth).

**Company** or **Titomic** or **TTT** means Titomic Limited (ACN 602 793 644).

**Constitution** means the Company's constitution.

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

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

**Explanatory Memorandum** means the explanatory memorandum to this Notice of Meeting.

**Key Management Personnel** means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Directors.

**Meeting** means the 2022 Annual General Meeting of the Shareholders of the Company to be held at 2:00pm on Monday, 21 November 2022, to which the Notice of Meeting and Explanatory Memorandum relate.

**Notice** or **Notice of Meeting** means this notice of meeting of the Company.

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

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

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

**Shareholder** means a holder of Shares.

Words importing the singular include the plural and vice versa. All references to currency are in Australian dollars.