

**BLUGLASS LIMITED**

**ABN 20 116 825 793**

**NOTICE OF ANNUAL GENERAL MEETING**  
including  
**EXPLANATORY STATEMENT**  
and  
**PROXY FORM**

**DATE, TIME AND VENUE OF ANNUAL GENERAL MEETING**

Monday 23 November 2020 at 11.00am EST

The Company has been closely monitoring the impact of the COVID-19 pandemic. Having regard to the social distancing requirements in New South Wales and in the interests of the health and safety of our shareholders and staff, the Board has decided that our 2020 AGM will be held as a virtual meeting. Shareholders will not be able to attend the 2020 AGM physically but will instead be able to view and participate in the virtual meeting online. This approach is in line with temporary modifications to the law and current regulatory guidance, however we acknowledge the disappointment it might cause for some shareholders. You will be able to watch and participate in the meeting in real-time on your computer or mobile device through an online platform that allows you to submit questions and vote. Further information on how you can participate in the AGM (including how to register, vote and ask questions) is set out on the following pages.

This Notice of Meeting should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 2) 9334 2300.

## Notice of Annual General Meeting and Explanatory Statement

The Annual General Meeting of BluGlass Limited will be held on Monday, 23 November 2020 commencing at 11.00am (EST).

The Explanatory Statement which accompanies and forms part of this Notice of Meeting describes the matters to be considered at the Annual General Meeting.

### HOW TO ATTEND THE AGM

**When: Nov 23, 2020 11:00 AM AEST**

**Topic: Bluglass Limited - Annual General Meeting**

**Register in advance for this webinar:**

**[https://us02web.zoom.us/webinar/register/WN\\_c\\_cqNrOvTCm\\_GYQnhU3tOw](https://us02web.zoom.us/webinar/register/WN_c_cqNrOvTCm_GYQnhU3tOw)**

***After registering, you will receive a confirmation email containing information about joining the webinar.***

To do this, you will need a computer or mobile/tablet device with internet access.

Shareholders: When you log onto the online platform, you will need to provide your details (including SRN/HIN and postcode) to be verified as a shareholder. Shareholders with a registered address outside of Australia should click 'Outside Australia' and select the country of their registered address.

Proxyholders: When you log onto the online platform, you will need your 'Proxy Number' which will be provided to you by Automic by email before the AGM.

Shareholders who are unable to join us at the AGM are encouraged to cast a direct vote prior to the meeting or, alternatively, to appoint a proxy to attend virtually and vote on your behalf. If you direct your proxy how to vote, your votes will be cast at the meeting in accordance with your directions.

Even if you plan to attend the virtual meeting, you are still encouraged to cast a direct vote or submit a directed proxy in advance of the meeting so that your votes can still be counted if for any reason you cannot attend (for example, if there is an issue with your internet connection on the day of the meeting).

### VOTING IN PERSON

Due to restrictions on physical meetings as a result of COVID-19, shareholders will not be permitted to attend the Annual General Meeting in person and instead are invited to participate in the Meeting via weblink.

Shareholders can cast their direct vote online before, or at, the Meeting by logging in to the Share Registry at <https://investor.automic.com.au/#/loginsah>.

### VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- post, to Automic:

Automic  
GPO Box 5193  
Sydney NSW 2001

In person:

Automic  
Level 5, 126 Phillip Street

Sydney NSW 2000

or

- email to Automic at [meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au) or
- vote online at <https://investor.automic.com.au/#/loginsah>.

so that it is received not later than 11.00am (EST) on Saturday 21 November 2020.

**Proxy Forms received later than this time will be invalid.**

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholders has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then, in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

The Proxy Form forms part of this Notice of Meeting.

***Transfer of non-chair proxy to chair in certain circumstances***

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

- 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; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - 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.

**VOTING ENTITLEMENT AND SNAPSHOT DATE**

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered shareholders of the Company at 11:00am (EST) on Saturday 21 November 2020.

**HOW TO ASK QUESTIONS**

Shareholders are able to submit written questions to the Company or auditor in advance of the Meeting. Questions may be submitted online at [meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au). Questions should be submitted no later than 9am (Sydney time) on 23 November 2020. We will endeavour to address as many of the more frequently raised relevant questions as possible during the course of the Meeting. However, there may not be sufficient time available at the Meeting to address all of the questions raised. Please note that

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individual responses will not be sent to Shareholders. Shareholders and proxyholders will be given an opportunity to ask questions in real-time by telephone. Dial-in details are available through the online platform once you have registered or are provided on your personalised voting form (for Shareholders who receive communications by post). If you plan to ask questions by telephone, you will still need to log into the online platform if you wish to vote during the meeting.

## AGENDA

### Ordinary Business

#### Accounts and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

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#### 1. Resolution 1 – Adoption of Remuneration Report

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

*“That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2020.”*

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

**Voting Prohibition Statement:** A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Parties of such a member.

However, a person described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) 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.

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#### 2. Resolution 2 – Re-Election of Director – Mr James Walker

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

*“That, for the purpose of clause 13.2 of the Company's Constitution, ASX Listing Rule 14.4, and for all other purposes, Mr James Walker, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

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#### 3. Resolution 3 – Re-Election of Director – Mr Vivek Rao

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

*“That, for the purpose of clause 13.2 of the Company's Constitution, ASX Listing Rule 14.4, and for all other purposes, Mr Vivek Rao, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

**4. Resolution 4 – Approval of Incentive Option and Performance Rights Plan**

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

*“That, for the purposes of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Bluglass Incentive Option and Performance Rights Plan and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is eligible to participate in the employee incentive scheme or any 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 a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair 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 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 Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

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**5. Resolution 5 – Issue of Performance Rights to Giles Bourne**

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

*“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue and allot 3,000,000 Performance Rights to Director Mr Giles Bourne or his nominee under the Incentive Option and Performance Rights Plan on the terms and conditions set out in the Explanatory Statement”.*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a Director of the Company, an Associate of a Director, or a person whose relationship with the Company or a Director or Associate of a Director of the Company is such that, in ASX's opinion, the acquisition should be approved by Shareholders, who is eligible to participate in the Incentive Option and Performance Rights Plan or any of their associates (**Resolution 5 Excluded Party**). However, the Company need not disregard a vote if it is cast in favour of a resolution by:

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

- (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 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 Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
    - (i) a member of the Key Management Personnel; or
    - (ii) a Closely Related Party of such a member; and
  - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- Provided the Chair is not a Resolution 5 Excluded Party, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
  - (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 6. Resolution 6 – Issue of Performance Rights to James Walker

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

*“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue and allot 1,000,000 Performance Rights to Director Mr James Walker or his nominee under the Incentive Option and Performance Rights Plan on the terms and conditions set out in the Explanatory Statement”.*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a Director of the Company, an Associate of a Director, or a person whose relationship with the Company or a Director or Associate of a Director of the Company is such that, in ASX’s opinion, the acquisition should be approved by Shareholders, who is eligible to participate in the Incentive Option and Performance Rights Plan or any of their associates (**Resolution 6 Excluded Party**). However, the Company need not disregard a vote if it is cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution in accordance with directions given to the proxy or attorney on the resolution in that way;
- (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 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 Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
    - (i) a member of the Key Management Personnel; or
    - (ii) a Closely Related Party of such a member; and
  - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- Provided the Chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if:
- (a) the proxy is the Chair; and

- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**7. Resolution 7 – Issue of Performance Rights to Vivek Rao**

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

*“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue and allot 1,000,000 Performance Rights to Director Mr Vivek Rao or his nominee under the Incentive Option and Performance Rights Plan on the terms and conditions set out in the Explanatory Statement”.*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a Director of the Company, an Associate of a Director, or a person whose relationship with the Company or a Director or Associate of a Director of the Company is such that, in ASX’s opinion, the acquisition should be approved by Shareholders, who is eligible to participate in the Incentive Option and Performance Rights Plan or any of their associates (**Resolution 7 Excluded Party**). However, the Company need not disregard a vote if it is cast in favour of a resolution by

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution in accordance with directions given to the proxy or attorney on the resolution in that way;
- (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 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 Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

Provided the Chair is not a Resolution 7 Excluded Party, the above prohibition does not apply if:

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

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**8. Resolution 8 – Issue of Performance Rights to Stephe Wilks**

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

*“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue and allot 1,000,000 Performance Rights to Director Mr Stephe Wilks or his nominee under the Incentive Option and Performance Rights Plan on the terms and conditions set out in the Explanatory Statement”.*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by any of or on behalf of a Director of the Company, an Associate of a Director, or a person whose relationship with the Company or a Director or Associate of a Director of the Company is such that, in ASX’s opinion, the acquisition should be approved by Shareholders, who is eligible to participate in the Incentive Option and Performance Rights Plan or any of their associates (**Resolution 8 Excluded Party**). However, the Company need not disregard a vote if it is cast in favour of a resolution by:



- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution in accordance with directions given to the proxy or attorney on the resolution in that way;
- (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 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 Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
    - (i) a member of the Key Management Personnel; or
    - (ii) a Closely Related Party of such a member; and
  - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- Provided the Chair is not a Resolution 8 Excluded Party, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
  - (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 9. RESOLUTION 9 – APPROVAL TO ISSUE SHARES TO MR GILES BOURNE IN LIEU OF DIRECTOR FEES

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

*“That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue that number of Shares, when multiplied by the deemed issue price of \$0.02, will equal \$30,717 (being 1,535,850 Shares) to Mr Giles Bourne (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Giles Bourne or any other person who will receive a material benefit as a result of the issue (except a benefit solely by reason of being a holder of Shares), or any of their Associates (**Resolution 9 Excluded Party**). However, the Company need not disregard a vote if it is cast in favour of by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution in accordance with directions given to the proxy or attorney on the resolution in that way;
- (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 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 Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

Provided the Chair is not a Resolution 9 Excluded Party, the above prohibition does not apply if:

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

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## 10. RESOLUTION 10 – APPROVAL TO ISSUE SHARES TO MR JAMES WALKER IN LIEU OF DIRECTOR FEES

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

*“That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue that number of Shares, when multiplied by the deemed issue price of \$0.02, will equal \$9,856 (being 492,800 Shares) to Mr James Walker (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr James Walker or any other person who will receive a material benefit as a result of the issue (except a benefit solely by reason of being a holder of Shares), or any of their Associates (**Resolution 10 Excluded Party**). However, the Company need not disregard a vote if it is cast in favour of the resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution in accordance with directions given to the proxy or attorney on the resolution in that way;
- (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 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 Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

Provided the Chair is not a Resolution 10 Excluded Party, the above prohibition does not apply if:

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

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## 11. RESOLUTION 11 – APPROVAL TO ISSUE SHARES TO MR VIVEK RAO IN LIEU OF DIRECTOR FEES

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

*“That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue that number of Shares, when multiplied by the deemed issue price of \$0.02, will equal \$8,897 (being 444,850 Shares) to Mr Vivek Rao (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Vivek Rao or any other person who will receive a material benefit as a result of the issue

(except a benefit solely by reason of being a holder of Shares), or any of their Associates (**Resolution 11 Excluded Party**). However, the Company need not disregard a vote if it is cast in favour of the resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution in accordance with directions given to the proxy or attorney on the resolution in that way;
- (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 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 Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

Provided the Chair is not a Resolution 11 Excluded Party, the above prohibition does not apply if:

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

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## **12. RESOLUTION 12 – APPROVAL TO ISSUE SHARES TO MR STEPHE WILKS IN LIEU OF DIRECTOR FEES**

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

*“That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue that number of Shares, when multiplied by the deemed issue price of \$0.02, will equal \$8,555 (being 427,750 Shares) to Mr Stephe Wilks (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Stephe Wilks or any other person who will receive a material benefit as a result of the issue (except a benefit solely by reason of being a holder of Shares), or any of their Associates (**Resolution 12 Excluded Party**). However, the Company need not disregard a vote if it is cast in favour of the resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution in accordance with directions given to the proxy or attorney on the resolution in that way;
- (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 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 Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or

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- (ii) a Closely Related Party of such a member; and
  - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- Provided the Chair is not a Resolution 12 Excluded Party, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
  - (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
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**DATED: 22 SEPTEMBER 2020**

**BY ORDER OF THE BOARD**



**EMMANUEL CORREIA**  
**COMPANY SECRETARY**

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## EXPLANATORY MEMORANDUM

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This Explanatory Statement forms part of a Notice of Meeting convening the Annual General Meeting of Shareholders of BluGlass Limited to be held on Monday 23 November 2020 at 11.00am (EST).

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

### Accounts and Report

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the directors, the Directors' Report, the Remuneration Report and the Auditor's report.

Shareholders may view the Company's Annual Financial Report on its website at [www.bluglass.com.au](http://www.bluglass.com.au). The Company will provide a hard copy of the Company's Annual Financial Report to Shareholders on request.

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## 1. Resolution 1 – Adoption of Remuneration Report

### 1.1 General

The Corporations Act requires that, at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2020.

A reasonable opportunity will be provided for discussion of and questions regarding the Remuneration Report at the Annual General Meeting.

### 1.2 Voting Consequences

If at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report in two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of Directors of the Company (**Spill Resolution**) at the second annual general meeting.

At the annual general meeting for the year ended 30 June 2019, 20,835,131 votes were cast against adoption of the remuneration report, which was less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

### 1.3 Proxy Restrictions

Pursuant to the Corporations Act, if you elect a member of Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report or any Closely Related Parties of that member (other than the Chair) as your proxy to vote on this Resolution, *you must direct the proxy how they are to vote on this Resolution*. Where you do not direct the member of Key Management Personnel whose remuneration details are included in the Remuneration Report or Closely Related Parties of that member on how to vote on this Resolution, the proxy (unless they are the Chair) is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to this Resolution and will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair as your proxy, you do not need to direct your proxy how to vote on this Resolution as the Chair is, unless a Voting Exclusion provides otherwise, able to vote at discretion of the Chair provided the proxy form expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. It is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

If you appoint any person not a member of the Key Management Personnel or a Closely Related Parties of such a member as your proxy, you do not need to direct your proxy how to vote on this Resolution.

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## 2. Resolutions 2 and 3 - Re-Election of Mr James Walker and Mr Vivek Rao

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is the longer.

Clause 13.2 of the Constitution requires that if the Company has three or more Directors, one third (or the number nearest one-third, rounding up if in doubt) of those Directors must retire at each annual general meeting, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

The Company currently has 4 Directors, three of which are taken into account in determining the number of Directors to retire, so at least one Director must retire by rotation. Two directors have been determined to retire and seek re-election.

Mr James Walker, who was last re-elected at the 2018 AGM, and Mr Vivek Rao, who was last elected at the 2018 AGM, retire by rotation and seek re-election.

Mr James Walker and Mr Vivek Rao have served as directors of the Company for approximately 3 years and 4.5 years respectively. The Board considers Mr Walker and Mr Rao to be Independent Directors of the Company.

The Directors (other than Mr Walker and Mr Rao) recommend that Shareholders vote in favour of the re-election of Mr Walker and Mr Rao as Directors.

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## 3. Resolution 4 - Adoption of Incentive Option and Performance Rights Plan

Resolution 4 seeks Shareholder approval for the adoption of an employee incentive scheme titled "Incentive Option & Performance Rights Plan" (**Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

The Plan was adopted by the Board on 1 October 2018 and last approved by Shareholders on 19 November 2018.

ASX 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 than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 4 is passed, the Company will be able to issue Options and Performance Rights (together, Awards) under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

If Resolution 4 is not passed, the Company's 15% placement capacity under Listing Rule 7.1 will be reduced each time it issues securities under the Plan to eligible participants (unless issued under another exception under Listing Rule 7.2 eg with Shareholder approval under Listing Rule 10.11 where issued to a related party).

A summary of the key terms and conditions of the Plan is set out in **Schedule A**. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

A total of 20,160,112 Performance Rights, and nil Options, have previously been issued under the Plan since it was last approved on 19 November 2018.

The maximum number of equity securities proposed to be issued under the Plan following Shareholder approval is 12,000,000 (inclusive of the incentives proposed to be granted under Resolutions 5 to 8). This maximum is 1.66% of the Shares currently on issue.

The objective of the Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Plan and the future issue of Awards under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future grant issue of Awards under the Plan to a related party or a person whose relation with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

For this reason, the Company is also seeking approval under Resolutions 5 to 8 for the issue of Performance Rights to Directors pursuant to the Plan.

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## 4. Resolutions 5 - 8 - Issue of Director Performance Rights

### 4.1 General Comments

Under the Company's Incentive Option and Performance Rights Plan, the Company may issue Incentive Options or Performance Rights.

It is proposed that, subject to Shareholder approval, a total of 6,000,000 Performance Rights (**Performance Rights**) will be issued to the Directors of the Company, being Messrs Giles Bourne, James Walker, Stephe Wilks and Vivek Rao (or their respective nominees) (each a "**Related Party**" and together the "**Related Parties**"). These Performance Rights, and any Shares issued as a result of the conversion of the Performance Rights, will only vest to the specified Director on the attainment of predefined performance criteria.

Resolutions 5 to 8 seek Shareholder approval for the grant of the Performance Rights to the Related Parties.

### 4.2 Related Party Transaction

Under the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and

- (b) give the benefit within 15 months following such approval,

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

The grant of the Performance Rights to the Related Parties, under the Plan, requires the Company to obtain Shareholder approval because this constitutes giving a financial benefit and, as the Related Parties are Directors, they are each a related party of the Company.

It is the view of Directors that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of the Performance Rights to the Related Parties in accordance with section 208 of the Corporations Act.

#### **4.3 ASX Listing Rule 10.14**

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

- (a) a director of the company;
- (b) an associate of a director; or
- (c) a person whose relationship with the company or a person referred to in (a) or (b) above is, in ASX's opinion, such that approval should be obtained.

If Resolutions 5-8 are passed, Performance Rights will be issued to directors of the Company (or their respective nominees) who fall within Listing Rule 10.14.1 (if a director) or Listing Rule 10.14.2 (if a nominee of a director). Therefore, the Company requires Shareholder approval in accordance with ASX Listing Rule 10.14 to issue the Performance Rights to the Related Parties (or their respective nominees). If a Resolution is not passed, the Company will not be able to grant the Performance Rights the subject of that Resolution and will need to assess whether alternative incentives are to be offered to the relevant Related Party.

#### **4.4 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.14)**

Pursuant to and in accordance with the requirements of Section 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed grant of Performance Rights:

- (a) Messrs Giles Bourne, James Walker, Stephe Wilks and Vivek Rao are related parties by virtue of being Directors of the Company and so fall under Listing Rule 10.14.1. If the Performance Rights are granted to a nominee of Messrs Giles Bourne, James Walker, Stephe Wilks and Vivek Rao, the nominee will be an Associate of the Director and fall under Listing Rule 10.14.2;
- (b) the number of Performance Rights (being the nature of the financial benefit being provided) to be granted to the Related Parties (or their nominees) is:

<b>Related Party</b>	<b>Number Performance Rights</b>
Giles Bourne	3,000,000
James Walker	1,000,000
Stephe Wilks	1,000,000
Vivek Rao	1,000,000
<b>Total</b>	<b>6,000,000</b>



- (c) the current total remuneration package of the Related Parties (inclusive of superannuation and equity-based remuneration) for the current financial year, and for the previous two financial years, is as follows. This is in addition to the Performance Rights proposed to be granted under Resolutions 5 - 8;

<b>Related Party</b>	<b>Current financial year to 30 June 2021 (estimate)</b>	<b>Financial year Ended 30 June 2020</b>	<b>Financial year Ended 30 June 2019</b>
Giles Bourne	\$350,000	\$349,800	\$578,338
James Walker	\$100,000	\$91,601	\$91,464
Vivek Rao	\$70,000	\$71,175	\$88,766
Stephe Wilks	\$70,000	\$70,491	\$87,358

Notes:

1. Mr Giles Bourne's nominee was granted 8,874,000 Performance Rights on 17 December 2018 (nil acquisition price) and is, subject to Shareholder approval of Resolution 9, to be issued 1,535,850 Shares in lieu of \$30,717 in remuneration owed to 30 June 2020.
  2. Mr James Walker's nominee was granted 300,000 Performance Rights on 17 December 2018 (nil acquisition price) and is, subject to Shareholder approval of Resolution 10, to be issued 492,800 Shares in lieu of \$9,856 in remuneration owed to 30 June 2020.
  3. Mr Vivek Rao was granted 300,000 Performance Rights on 17 December 2018 (nil acquisition price) and is, subject to Shareholder approval of Resolution 11, to be issued 444,850 Shares in lieu of \$8,897 in remuneration owed to 30 June 2020.
  4. Mr Stephe Wilks' nominee was granted 300,000 Performance Rights on 17 December 2018 (nil acquisition price) and is, subject to Shareholder approval of Resolution 12, to be issued 492,750 Shares in lieu of \$8,555 in remuneration owed to 30 June 2020.
- (d) The Related Parties (and their associates) have not previously been issued any Awards under the Plan other than as detailed above.
- (e) the following are the key terms of the Performance Rights to be granted to the Related Parties:
- (i) subject to any adjustment permitted under the Plan, one Performance Right will convert into one Share of the Company (which will be issued on the same terms and conditions as the Company's existing Shares) upon the vesting conditions being achieved;
  - (ii) the time frame to achieve the vesting conditions is up to 31 December 2023;
  - (iii) the Performance Rights will expire on 31 December 2024;
  - (iv) if the vesting conditions are not achieved within the three period, the Performance Rights will lapse for \$nil consideration, unless the Board resolves otherwise;
  - (v) For Giles Bourne, the Managing Director the Performance Rights to be issued will vest on the following basis:
    - (A) 600,000 Performance Rights to be issued will vest on the attainment of \$1 million of laser diode product revenue over a calendar 12-month period within the three year period
    - (B) 2,400,000 Performance Rights to be issued will vest on the attainment of \$5 million of laser diode product revenue over a calendar 12-month period within the three year period.

- (vi) For Messrs Walker, Wilks and Rao, the 1,000,000 Performance Rights to be issued to each of these Related Parties will vest on the following basis:
- (A) 140,000 Performance Rights to be issued will vest on the attainment of \$1 million of laser diode product revenue over a calendar 12-month period within the three year term of the Performance Rights
  - (B) 560,000 Performance Rights to be issued will vest on the attainment of \$5 million of laser diode product revenue over a calendar 12-month period within the three year term of the Performance Rights; and
  - (C) 300,000 Performance Rights to be issued will vest at a rate of 100,000 Performance Rights for each year of service over the three year term of the Performance Rights.
- (f) a summary of the Incentive Option and Performance Rights Plan, which applies to the Performance Rights, is set out in **Schedule A**;
- (g) the Company wishes to grant Performance Rights as they are a cost effective mechanism to incentivise the Related Parties, they minimize dilution to Shareholders compared with the grant of Options and are simpler to administer than the grant of Shares that would need to be cancelled if the vesting conditions are not satisfied or waived;
- (h) the value of the Performance Rights proposed to be issued to the Related Parties and the pricing methodology is set out in **Schedule B**;
- (i) the Performance Rights will be granted to the Related Parties (or their nominees) no later than 12 months after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Performance Rights will be issued on one date;
- (j) the Performance Rights will be granted for nil cash consideration, accordingly no funds will be raised;
- (k) no loan has or will be provided to the Related Parties in relation to the issue or subsequent exercise of the Performance Rights;
- (l) details of any securities issued under the Plan will be published in the Company's annual report 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 5-8 are approved and who were not named in this Notice of Meeting will not participate until approval is obtained under that rule;
- (n) as at the date of this Notice of Meeting, the Related Parties have the following relevant interest in the following Company securities:

Related Party	Shares	Performance Rights	Incentive Options
Giles Bourne	4,272,579	8,874,500	1,000,000
James Walker	303,540	300,000	-
Vivek Rao	240,000	300,000	-
Stephe Wilks	Nil	300,000	-

- (o) if all of the Performance Rights are granted under Resolutions 5-8 to the Related Parties and are exercised, a total of 6,000,000 Shares would be allotted and issued. This will increase

the number of Shares on issue from 719,676,683 to 725,676,683 (assuming that no other Options are exercised and no other Shares issued) with the effect that the shareholding of existing Shareholders would be diluted by 0.83%;

- (p) the trading history of the Shares on ASX in the 12 months before the date of this Notice of Annual General Meeting is set out below:

	Price	Date
Highest	\$0.13	22 November 2019
Lowest	\$0.018	24 March 2020
Last	\$0.081	22 September 2020

- (q) the Board acknowledges the issue of Performance Rights to those Related Parties who are non-executive Directors is contrary to the guidelines to Recommendation 8.2 of The Corporate Governance Principles and Recommendations (4<sup>th</sup> Edition) as published by The ASX Corporate Governance Council. However, the Board considers the issue of Performance Rights to non-executive Directors Messrs Walker, Rao and Wilks reasonable in the circumstances having regard to the size and level of operations of the Company, its cash reserves and importance to the Company of attracting and retaining non-executive Directors in a manner which does not unduly impact on the Company's cash resources;
- (r) the primary purpose of the grant of Performance Rights to the Related Parties is to provide a performance linked incentive component in the overall remuneration package for each Related Party to motivate and reward the performance of the Related Party in their respective roles as Directors and to assist the Company in retaining their services and expertise in a manner which does not unduly impact on the cash reserves of the Company; and
- (s) the Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights upon the terms proposed. The vesting performance criteria attached to the Performance Rights aims to ensure that significant value is created prior to the Performance Rights vesting to the Related Parties.

#### **4.5 Directors' recommendations**

Each of Messrs Giles Bourne, James Walker, Stephe Wilks and Vivek Rao declines to make a recommendation to Shareholders in relation to the Resolution relating to the issue of Performance Rights to himself (or his nominee) due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Performance Rights in the Company should the Resolution be passed. However, in respect of the Resolutions dealing with the issue of the Performance Rights to each of the other Directors, each of Messrs Giles Bourne, James Walker, Stephe Wilks and Vivek Rao recommends that Shareholders vote in favour of Resolutions 5 - 8 for the following reasons:

- (a) the issue of Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
- (b) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights upon the terms proposed.

In forming their various recommendations, each Director considered the qualifications and experience of each other Related Party, the current market price of Shares, the current market practices when determining the number of Performance Rights to be issued as well as the expiry date, vesting conditions and other material terms of those Performance Rights.

Except as specified above, no other Director has a personal interest or other interest in the outcome of Resolutions 5 to 8.

The Board is not aware of any 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 5 to 8.

Approval pursuant to ASX Listing Rule 7.1 is not required to issue the Performance Rights to the Related Parties or their nominees as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the issue of Performance Rights to the Related Parties or their nominees will not be included in the 15% calculation of the Company's twelve month capacity to issue Shares or other securities without shareholder approval pursuant to ASX Listing Rule 7.1.

#### **4.6 Voting Prohibition – Section 224 of the Corporations Act**

Sections 224(1) and (2) of the Corporations Act provide that a vote may not be cast (in any capacity) by or on behalf of the related party to whom the resolution would permit a financial benefit to be given (or an associate of that person) other than a vote cast a proxy by a person in writing that specifies how the proxy is to vote on the proposed resolution and which is not cast on behalf of the relevant related party (or an associate of that person).

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### **5. Resolutions 9 – 12 - Issue of Shares in Lieu of Directors Fees**

#### **5.1 General Comments**

As announced to the ASX on 6 July 2020, it is proposed that, subject to Shareholder approval, a total of 2,901,250 Shares will be issued to the Directors of the Company, being Messrs Giles Bourne, James Walker, Stephe Wilks and Vivek Rao (or their respective nominees) (each a “**Related Party**” and together the “**Related Parties**”) in satisfaction of a total of \$58,025 in Directors fees accrued and unpaid as at 30 June 2020.

Resolutions 9 to 12 seek Shareholder approval for the issue of the Shares to the Related Parties.

#### **5.2 Related Party Transaction**

Under the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

The issue of the Shares to the Related Parties requires the Company to obtain Shareholder approval because this constitutes giving a financial benefit and, as the Related Parties are Directors, they are each a related party of the Company.

It is the view of Directors that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of the Shares to the Related Parties in accordance with section 208 of the Corporations Act.

#### **5.3 ASX Listing Rule 10.11**

Listing Rule 10.11 provides that, unless one of the exceptions in Listing Rule 10.12 applies, shareholder approval to be obtained where an entity issues, or agrees to issue, equity securities to any of the following:

- 10.11.1 A related party.
- 10.11.2 A person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the Company.
- 10.11.3 A person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a director to sit on the board of the Company) pursuant to a relevant agreement which gives them a right or expectation to do so.
- 10.11.4 An associate of any of the above.
- 10.11.5 A person whose relationship with the Company or a person referred to above is such that, in ASX's opinion, the issue or agreement should be approved by Shareholders.

The Related Parties meet the category under ASX Listing Rule 10.11.1 because they are Directors. Any nominee who is issued the Shares will be an associate of the applicable Related Party and will fall under ASX Listing Rule 10.11.4. Therefore, the Company requires Shareholder approval in accordance with ASX Listing Rule 10.11 to grant the Shares to the Related Parties (or their respective nominees).

If Resolutions 9-12 are passed, the Shares will be issued to Related Parties (or their respective nominees).

If a Resolution is not passed, the Company will not be able to issue the Shares the subject of that Resolution and will need to assess whether to pay cash instead for the amount of accrued Director fees that were to be satisfied through the issue of the Shares.

#### **5.4 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.13)**

Pursuant to and in accordance with the requirements of Section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares:

- (c) the Shares (being the nature of the financial benefit being provided) are to be issued to the Related Parties (or their nominees) as follows, in satisfaction of accrued and unpaid Director fees owed as at 30 June 2020:

<b>Related Party</b>	<b>Number Shares</b>	<b>Director Fee (\$)</b>
Giles Bourne	1,535,850	\$30,717
James Walker	492,800	\$9,856
Vivek Rao	444,850	\$8,897
Stephe Wilks	427,750	\$8,555
<b>Total</b>	<b>2,901,250</b>	<b>\$58,025</b>

- (d) Giles Bourne, James Walker, Vivek Rao and Stephe Wilks are related parties by virtue of being Directors of the Company and so fall under Listing Rule 10.11.1. If the Shares are issued to a nominee of Messrs Giles Bourne, James Walker, Vivek Rao and Stephe Wilks, the nominee will be an Associate of the Director and fall under Listing Rule 10.11.4;
- (e) the Shares will be issued to the Related Parties (or their nominees) no later than 1 month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares will be issued on one date;
- (f) the Shares will be issued for nil cash consideration, accordingly no funds will be raised;

- (g) the Shares are to be issued in satisfaction of accrued but unpaid Director fees owed to 30 June 2020 as detailed above;
- (h) the current total remuneration package of the Related Parties (inclusive of superannuation and equity-based remuneration) for the current financial year, and for the previous two financial years, is as follows. This is in addition to the Shares proposed to be granted under Resolutions 9-12;

<b>Related Party</b>	<b>Current financial year to 30 June 2021 (estimate)</b>	<b>Financial year Ended 30 June 2020</b>	<b>Financial year Ended 30 June 2019</b>
Giles Bourne	\$350,000	\$349,800	\$578,338
James Walker	\$100,000	\$91,601	\$91,464
Vivek Rao	\$70,000	\$71,175	\$88,766
Stephe Wilks	\$70,000	\$70,491	\$87,358

Notes:

1. Mr Giles Bourne's nominee was granted 8,874,000 Performance Rights on 17 December 2018 (nil acquisition price) and is, subject to Shareholder approval of Resolution 5, to be granted 3,000,000 Performance Rights.
  2. Mr James Walker's nominee was granted 300,000 Performance Rights on 17 December 2018 (nil acquisition price) and is, subject to Shareholder approval of Resolution 6, to be granted 1,000,000 Performance Rights.
  3. Mr Vivek Rao was granted 300,000 Performance Rights on 17 December 2018 (nil acquisition price) and is, subject to Shareholder approval of Resolution 7, to be granted 1,000,000 Performance Rights.
  4. Mr Stephe Wilks's nominee was granted 300,000 Performance Rights on 17 December 2018 (nil acquisition price) and is, subject to Shareholder approval of Resolution 8, to be granted 1,000,000 Performance Rights.
- (i) as at the date of this Notice of Meeting, the Related Parties have the following relevant interest in the following Company securities:

<b>Related Party</b>	<b>Shares</b>	<b>Performance Rights</b>	<b>Incentive Options</b>
Giles Bourne	4,272,579	8,874,500	1,000,000
James Walker	303,540	300,000	-
Stephe Wilks	Nil	300,000	-
Vivek Rao	240,000	300,000	-

- (j) if all of the Shares are issued under Resolutions 9-12 to the Related Parties, a total of 2,901,250 Shares would be allotted and issued. This will increase the number of Shares on issue from 719,676,683 to 722,577,933 (assuming that no other Options are exercised and no other Shares issued) with the effect that the shareholding of existing Shareholders would be diluted by 0.4%;
- (k) the trading history of the Shares on ASX in the 12 months before the date of this Notice of Annual General Meeting is set out below:

	<b>Price</b>	<b>Date</b>
Highest	\$0.13	22 November 2020

Lowest	\$0.018	24 March 2020
Last	\$0.081	22 September 2020

## **5.5 Directors' recommendations**

Each of Messrs Giles Bourne, James Walker, Stephe Wilks and Vivek Rao declines to make a recommendation to Shareholders in relation to the Resolution relating to the issue of Shares to himself (or his nominee) due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued the Shares in the Company should the Resolution be passed. However, in respect of the Resolutions dealing with the issue of the Shares to each of the other Directors, each of Messrs Giles Bourne, James Walker, Stephe Wilks and Vivek Rao recommends that Shareholders vote in favour of Resolutions 9 - 12 for the following reasons:

- (a) the issue of Shares is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend the funds it would otherwise be required to pay in Director fees on its operations than it would if the Director fees were to be paid in cash;
- (b) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Shares upon the terms proposed.

In forming their various recommendations, each Director considered the Company's announcement on 6 July 2020 in relation to the issue of the Shares, with the deemed issue price being the same as that used to issue Shares to unrelated employees in satisfaction of accrued remuneration, and the same as the issue price of Shares under the rights issue completed at that time.

Except as specified above, no other Director has a personal interest or other interest in the outcome of Resolutions 9-12.

The Board is not aware of any 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 9-12.

Approval pursuant to ASX Listing Rule 7.1 is not required to issue the Performance Rights to the Related Parties or their nominees as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to the Related Parties or their nominees will not be included in the 15% calculation of the Company's twelve month capacity to issue Shares or other securities without shareholder approval pursuant to ASX Listing Rule 7.1.

## **5.6 Voting Prohibition – Section 224 of the Corporations Act**

Sections 224(1) and (2) of the Corporations Act provide that a vote may not be cast (in any capacity) by or on behalf of the related party to whom the resolution would permit a financial benefit to be given (or an associate of that person) other than a vote cast a proxy by a person in writing that specifies how the proxy is to vote on the proposed resolution and which is not cast on behalf of the relevant related party (or an associate of that person).

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## **6. Enquiries**

Shareholders are invited to contact the Company Secretary on (+61 2) 9334 2300 if they have any queries in respect of the matters set out in these documents.

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## GLOSSARY

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**\$** means Australian Dollars.

**Annual General Meeting** means the meeting convened by the Notice of Meeting.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

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

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

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) 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 dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth) for the purposes of the definition of 'closely Related Parties' in the Corporations Act.

**Company** or **Bluglass** means BluGlass Limited ABN 20 116 825 793.

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

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

**EST** means Eastern Standard Time as observed in Sydney, New South Wales.

**Explanatory Statement** means the explanatory statement accompanying the Notice of Meeting.

**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.

**Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2020.

**Resolutions** means the resolutions set out in the Notice of Meeting or any one of them, as the context requires.

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

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



## SCHEDULE A – SUMMARY OF INCENTIVE OPTION AND PERFORMANCE RIGHTS PLAN

(a) **Eligibility**

The Board may invite full or part time employees and directors of, and consultants to, the Company or an Associated Body Corporate of the Company to participate in the Plan (**Eligible Participant**).

Eligible Participants do not possess any right to participate in the Plan, as participation is solely determined by the Board.

(b) **Offer of Awards**

The Plan will be administered by the Board which may, in its absolute discretion, invite an Eligible Participant to apply for Incentive Options or Performance Rights (each an **Award**) from time to time as determined by the Board and, in exercising that discretion, may have regard to some or all of the following considerations:

- (i) the Eligible Participant's length of service with the Group;
- (ii) the contribution made by the Eligible Participant to the Group;
- (iii) the potential contribution of the Eligible Participant to the Group; or
- (iv) any other matter the Board considers relevant.

(c) **Number of Awards**

The number of Awards to be offered to an Eligible Participant will be determined by the Board in its discretion and in accordance with the rules of the Plan and applicable law.

(d) **Conversion**

Subject to any adjustment permitted under the Plan, each Award is exercisable into one Share in the Company ranking equally in all respect with the existing issued Shares in the Company.

(e) **Consideration**

Awards issued under the Plan will be issued for no consideration.

(f) **Exercise price**

The exercise price for Awards offered under the Plan (if any) will be determined by the Board.

(g) **Vesting conditions**

The Board may impose vesting conditions, including performance-related conditions, on the right of a participant to exercise Awards granted under the Plan.

The Board may in its absolute discretion, by written notice to a holder, resolve to waive any of the vesting conditions applying to an Award.

(h) **Dealings in Awards**

An Award is non-transferable other than in special circumstances with the consent of the Board (which may be withheld in its discretion).

(i) **Exercise of Awards**

A participant in the Plan will be entitled to exercise their Awards in respect of which the vesting conditions have been met provided the Awards have not lapsed and the exercise of the Awards will not result in the Company contravening ASIC Class Order 14/1000. A holder may exercise Awards by delivering an exercise notice to the Company secretary along with the Awards certificate, and paying the applicable exercise price of the Awards (if any) multiplied by the number of Awards proposed to be exercised.

Within ten Business Days of receipt of the required items, the Company will, subject to the ASX Listing Rules and the Plan, issue to the participant the relevant number of Shares.

(j) **Lapse of Awards**

Awards held by a participant in the Plan will lapse if:

- (i) the vesting conditions attaching to the Performance Rights are not satisfied or become incapable of satisfaction (and are not waived by the Board);
- (ii) in respect of an unvested Award, the holder ceases to be an Eligible Participant and the Board does not exercise its discretion to vest the Award or allow it to remain unvested;
- (iii) in respect of a vested Award, a holder ceases to be an Eligible Participant and the Board, in its discretion, resolves that the Award must be exercised within one (1) month (or such later date as the Board determines), and the Award is not exercised within that period and the Board resolves, at its discretion, that the Award lapses as a result;
- (iv) the Board deems that an Award lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant under the rules of the Plan;
- (v) the Board, in its discretion, resolving an Award lapses as a result of an unauthorised disposal of, or hedging of, the Award;
- (vi) in respect of an unvested Award, a winding up resolution or order is made, and the Award does not vest in accordance with rules of the Plan; and
- (vii) the Expiry Date of the Award.

(k) **Restrictions on Shares**

The Board may, in its discretion, determine at any time up until exercise of an Award, that a restriction period will apply to some or all of the Shares issued or transferred to a Participant on exercise of the Award, up to a maximum of fifteen (15) years from the Acquisition Date of the Award.

Shares are deemed to be subject to a Restriction Period to the extent necessary to comply with any escrow restrictions imposed by the ASX Listing Rules.

(l) **Limitation on offers**

Where the Company needs to rely on ASIC Class Order 14/1000 (**Class Order**) in respect of an offer, the Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Awards offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or under an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer. If the Company makes an offer under the Plan where:

- (i) the total number of Shares to be received on exercise of Awards the subject of that offer exceeds the limit set out in the Class Order; or
- (ii) the Offer is required to, but does not, comply with the terms and conditions set out in the Class Order,

the Company must comply with Chapter 6D of the Corporations Act at the time of that offer.

(m) **Additional Terms and Conditions**

- (i) Subdivision 83A-C of Chapter 2 of the *Income Tax Assessment Act 1997* (Cth) applies to the Awards except to the extent an Offer provides otherwise.
- (ii) A participant is not entitled to participate in or receive any dividend or other Shareholder benefits until its Awards have vested and been exercised and Shares have been allocated to the participant as a result of the exercise of those Awards.
- (iii) There are no participating rights or entitlements inherent in the Awards and participants will not be entitled to participate in new issues of securities offered to Shareholders of the Company during the currency of Awards without exercising the Options or Performance Rights, except to the extent an Offer otherwise provides where permitted by the ASX Listing Rules.
- (iv) There is no right to a change in the exercise price or in number of underlying Shares over which an Award can be exercised, except to the extent an Offer otherwise provides where permitted by the ASX Listing Rules.
- (v) In the event of a reorganisation of the capital of the Company, the Company may alter the rights of the holder of an Award to the extent necessary to comply with the ASX Listing Rules applying to reorganisations at the time of the reorganisation.
- (vi) No issue or allocation of Awards and/or Shares will be made to the extent that it would contravene the Constitution, Listing Rules, the Corporations Act or any other applicable law.

## SCHEDULE B – VALUATION OF PERFORMANCE RIGHTS

10 September 2020

The Directors  
BluGlass Limited  
74 Asquith Street  
SILVERWATER NSW 2128

Dear Sir(s) / Madam(s),

## VALUATION OF PROPOSED PERFORMANCE RIGHTS

### 1. Introduction

We understand that BluGlass Limited (“**BluGlass**” or the “**Company**”) is proposing to issue the following performance rights (“**Performance Rights**”) to Directors of the Company under a directors’ share plan adopted by the Company (“**Plan**”):

**Table 1: Performance Rights to be Issued**

Director	Maximum Number of Performance Rights to be Issued
Giles Bourne	3,000,000
James Walker	1,000,000
Stephe Wilks	1,000,000
Vivek Rao	1,000,000
<b>Total</b>	<b>6,000,000</b>

**Source:** Management of BluGlass

We have been advised that the Performance Right are to be issued on the following terms:

- a. Performance Rights to be issued will convert to Shares in the capital of the Company, which will be issued on the same terms and conditions as the Company’s existing Shares;
- b. the Performance Rights will be granted to the Directors (or their nominees) no later than 12 months after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Performance Rights will be issued on one date;

the Performance Rights will be granted for nil cash consideration on issue or conversion, and accordingly no funds will be raised upon issue or conversion;

**Invicta Corporate Finance Pty Ltd**  
ABN 78 631 600 845

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GPO Box 2733, Sydney NSW 2001

Corporate Authorised Representative 1274408  
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www.invicta.com.au

- c. no loan has or will be provided to the Directors in relation to the issue or subsequent conversion of the Performance Rights;
- d. the following are the key terms of the Performance Rights to be granted to the Directors:
  - i. subject to any adjustment permitted under the Plan, one Performance Right will convert into one Share of the Company upon the vesting conditions being achieved;
  - ii. the time frame to achieve the vesting conditions is up to 31 December 2023 (“**Vesting Period**”);
  - iii. the Performance Rights will expire on 31 December 2024;
  - iv. if the vesting conditions are not achieved within the Vesting Period, the Performance Rights will lapse for \$nil consideration, unless the Board resolves otherwise;
  - v. for Giles Bourne, the Managing Director:
    - (A) 600,000 Performance Rights to be issued will vest on the attainment of \$1 million of laser diode product revenue over a calendar 12-month period within the Vesting Period; and
    - (B) 2,400,000 Performance Rights to be issued will vest on the attainment of \$5 million of laser diode product revenue over a calendar 12-month period within the Vesting Period;
  - vi. For Messrs Walker, Wilks and Rao, the 1,000,000 Series B Performance Rights to be issued to each of these Related Parties will vest on the following basis:
    - (A) 140,000 Performance Rights to be issued will vest on the attainment of \$1 million of laser diode product revenue over a calendar 12-month period within the Vesting Period; and
    - (B) 560,000 Performance Rights to be issued will vest on the attainment of \$5 million of laser diode product revenue over a calendar 12-month period within the Vesting Period; and
    - (C) 300,000 Performance Rights to be issued will vest at a rate of 100,000 Performance Rights for each year of service over the Vesting Period.

## 2. Scope of Works & Approach

### 2.1 Approach

In order to assist the Company and its Directors with their respective obligations regarding obtaining shareholder approval to the proposed issue of Performance Rights, Invicta Corporate Finance Pty Ltd (“**Invicta**”) has been requested to provide a calculation as to the fair value of the Performance Rights as at 4 September 2020 (“**Valuation Date**”) using the following approach:

- a. the valuation of the Performance Rights will be on a minority basis noting that even upon vesting, none of the recipients of the Performance Rights will hold more than 5% of the Shares of the Company;
- b. we have determined the fair value of the Performance Rights based on the 5-day VWAP of the Company’s share price up to the Valuation Date; and

c. noting that:

- AASB 2 *Share-Based Payments* requires that non-market vesting conditions be disregarded for the purpose of determining the value of the Performance Rights; and
  - none of the vesting conditions applicable to the Performance Rights are market-based,
- we have made no further adjustments to the price determined at (b) above for the purpose of assessing the fair value of the Performance Rights as at the Valuation Date.

## 2.2 Type of Valuation Engagement

Our valuation of the Performance Rights meets the definition of a “Calculation Engagement” under Australian Professional and Ethical Standard 225 – Valuation Services (“APES 225”).

Our valuation meets the definition of a “Calculation Engagement” under APES 225 on the basis that Invicta has been instructed to adopt a specific valuation approach as set out in **Section 2** above.

In accordance with the requirements of APES 225, Invicta notes that had it undertaken a “Limited Scope Valuation Engagement” or “Valuation Engagement” under APES 225, the conclusions set out below regarding the fair value of the Performance Rights may have been different.

## 2.3 Definition of Fair Value

For the purpose of this engagement, the definition of “fair value” will be as set out under AASB 13 *Fair Value Measurement*, which states that fair value is the “price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”.

## 3. Summary of Conclusions

As at the Valuation Date, we have calculated the fair value of the Performance Rights to be issued by the Company, to be \$0.0793 per Performance Right, calculated as follows:

**Table 2: Fair Value of Performance Rights**

Trading Day	Value Traded (\$) (A)	Volume (B)
31-Aug-20	35,257	423,038
1-Sep-20	35,165	433,237
2-Sep-20	37,703	459,092
3-Sep-20	76,394	984,193
4-Sep-20	49,159	645,814
<b>Total</b>	<b>233,678</b>	<b>2,945,374</b>
<b>VWAP</b>	<b>(A) / (B)</b>	<b>0.0793</b>

**Source:** Thomson Reuters; Invicta Analysis

#### 4. General Advice & Financial Services Guide

This letter sets out a summary of our full report ("**Report**") and conclusions.

The conclusions expressed in this letter and our Report have been provided with consideration of the Company's shareholders as a whole and does not consider the financial situation, objectives and needs of individual shareholders. It is neither practical nor possible to assess the implications of the proposed issue of the Performance Rights on individual shareholders as their individual circumstances are not known.

Individual shareholders may place different emphasis on various aspects of the Performance Rights to that adopted in our Report. Accordingly, individual shareholders may reach different conclusions on the value of the Performance Rights in the case of their individual circumstances. Individual shareholders should seek their own independent professional advice to assist them in making a decision on whether to approve the proposed issue of the Performance Rights.

A financial services guide ("**FSG**") is attached at **Appendix 1** of our Report.

#### 5. Access to Full Report

You should read our full Report in its entirety which sets out in full, the purpose, scope, sources of information, basis of evaluation, limitations, analysis, conclusions and opinions. A full copy of our Report will be made available by the Company on written request. Please direct your request to the following:

Email: [admin@buglass.com.au](mailto:admin@buglass.com.au)

Phone: +61 2 9334 2300

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Vince Fayad".

**Vince Fayad**  
Director

A handwritten signature in blue ink, appearing to read "Nick Navarra".

**Nick Navarra**  
Director