

Notice of Annual General Meeting

2024

Strategic Elements Limited

ABN 47 122 437 503



STRATEGIC
ELEMENTS



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Notice of Annual General Meeting

Date of Meeting: 13 November 2024

Time of Meeting: 3:00pm (WST)

Place of Meeting: Level 1, Suite 9
110 Hay Street, Subiaco

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in any doubt as to how they should vote, they should seek advice from their professional advisor prior to voting.

**Strategic Elements Limited
ABN 47 122 437 503**

NOTICE is hereby given that the Annual General Meeting of members of Strategic Elements Limited ("the Company") will be held at Level 1, Suite 9, 110 Hay Street, Subiaco on 13 November 2024 at 3:00pm (WST).

The Explanatory Notes to this Notice provide additional information on matters to be considered at the Meeting. The Explanatory Notes and Proxy Form form part of this Notice. Shareholders are urged to vote by attending the Meeting in person or by returning a completed Proxy Form. Terms and abbreviations used in this Notice and Explanatory Notes are defined in the Explanatory Notes.

Ordinary Business

Agenda Item 1 - Accounts and Reports

To receive and consider the annual financial reports of the Company for the financial year ended 30 June 2024 together with the declaration of the Directors, the Director's report, the Remuneration report and the Auditor's report.

Agenda Item 2 - Resolutions

Resolution 1: Approval to Issue Shares in lieu of cash payments to Charles Murphy

Director Charles Murphy is offering to take a portion of his remuneration in shares instead of cash which helps preserve the Company's cash for reinvestment and growth, demonstrates his commitment and ties in his interests with those of all shareholders.

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

"That, subject to the passing of Resolution 4, for the purposes of sections 195(4) and 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue to Charles Murphy (or his nominee) up to 18,000,000 Shares in lieu of cash payments over a three year period under the terms of the Company's Plan as set out in the Explanatory Notes."

A voting exclusion statement and voting prohibition statement are set out below.

Resolution 2: Approval to Issue Shares in lieu of cash payments to Matthew Howard

Director Matthew Howard is offering to take a portion of his remuneration in shares instead of cash which helps preserve the Company's cash for reinvestment and growth, demonstrates his commitment and ties in his interests with those of all shareholders.

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

"That, subject to the passing of Resolution 4, for the purposes of sections 195(4) and 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue to Matthew Howard (or his nominee) up to 18,000,000 Shares in lieu of cash payments over a three year period under the terms of the Plan as set out in the Explanatory Notes."

A voting exclusion statement and voting prohibition statement are set out below.

Resolution 3: Approval to Issue Shares in lieu of cash payments to Elliot Nicholls

Director Elliot Nicholls is offering to take a portion of his remuneration in shares instead of cash which helps preserve the Company's cash for reinvestment and growth, demonstrates his commitment and ties in his interests with those of all shareholders.

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

"That, subject to the passing of Resolution 4, for the purposes of sections 195(4) and 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue to Elliot Nicholls (or his nominee) up to 18,000,000 Shares in lieu of cash payments over a three year period under the terms on the Plan as set out in the Explanatory Notes."

A voting exclusion statement and voting prohibition statement are set out below.

Resolution 4: Adoption of Employee Securities Incentive and Shares in Lieu Plan

The adoption of the Plan will enable the Directors to take a portion of their remuneration in shares instead of cash which helps preserve the Company's cash for reinvestment and growth, demonstrates their commitment and ties in their interests with those of all shareholders.

To consider and, if thought fit, to pass 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 securities incentive and shares in lieu scheme titled Strategic Elements Limited Employee Securities Incentive and Shares in Lieu Plan and for the issue of a maximum of 23,440,421 Equity Securities under that Plan on the terms and conditions set out in the Explanatory Notes."

A voting exclusion statement and voting prohibition statement are set out below.

Resolution 5: Remuneration Report

To consider and, if thought fit, to pass the following resolution as a **non-binding ordinary** resolution of the Company:

"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 Company's Remuneration Report as set out in the Company's Annual Report for the year ending 30 June 2024."

A voting exclusion statement is set out below.

Please note that the vote on this resolution is advisory only and does not bind the Directors or the Company.

Resolution 6: Grant of Performance Rights to Mr Charles Murphy

Part of Mr Murphy's remuneration package includes performance rights. The Performance Rights contemplated by Resolution 6 will only convert to Shares upon achieving the milestone, that is, successfully transferring the Energy Ink technology to a commercial production facility and manufacturing a minimum volume of 1000 prototype Energy Ink cells.

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

"That, subject to the passing of resolution 4, for the purposes of sections 195(4) and 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 2,500,000 Performance Rights to Mr Charles Murphy (or his nominee) under the terms of the Company's Plan as set out in the Explanatory Notes."

A voting exclusion statement and voting prohibition statement are set out below.

Resolution 7: Grant of Performance Rights to Mr Matthew Howard

Part of Mr Howard's remuneration package includes performance rights. The Performance Rights contemplated by Resolution 7 will only convert to Shares upon achieving the milestone, that is, successfully transferring the Energy Ink technology to a commercial production facility and manufacturing a minimum volume of 1000 prototype Energy Ink cells.

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

"That, subject to the passing of resolution 4, for the purposes of sections 195(4) and 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 1,500,000 Performance Rights (and to Mr Matthew Howard (or his nominee) under the terms of the Company's Plan as set out in the Explanatory Notes."

A voting exclusion statement and voting prohibition statement are set out below.

Resolution 8: Grant of Performance Rights to Mr Elliot Nicholls

Part of Mr Nicholls' remuneration package includes performance rights. The Performance Rights contemplated by Resolution 8 will only convert to Shares upon achieving the milestone, that is, successfully transferring the Energy Ink technology to a commercial production facility and manufacturing a minimum volume of 1000 prototype Energy Ink cells.

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

"That, subject to the passing of resolution 4, for the purposes of sections 195(4) and 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 2,500,000 Performance Rights) to Mr Elliot Nicholls (or his nominee) under the terms of the Company's Plan as set out in the Explanatory Notes."

A voting exclusion statement and voting prohibition statement are set out below.

Resolution 9: Re-election of Mr Matthew Howard as a Director

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

"That Mr Matthew Howard, being a Director of the Company who retires in accordance with Clause 11.3 of the Company's Constitution and for all other purposes, offers himself for re-election, being eligible, is re-elected as a Director of the Company."

Voting Prohibition and Exclusion Statement

Pursuant to Listing Rule 14.11 and the Corporations Act, the Resolutions are subject to the voting exclusion and prohibition statements set out in the table below.

The Company will disregard any votes cast in favour of the following Resolutions by or on behalf of the following persons excluded from voting, or an associate of those persons:

| Resolution | The Company will disregard any votes cast in favour of the Resolution by: |
|--|--|
| Resolutions 1, 2 & 3 – Issue of Shares to Directors in lieu of remuneration | <ul style="list-style-type: none"> a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan; or as a proxy by a member of the KMP at the date of the meeting, or that KMP's Closely Related Party, unless the vote is cast for a person who is entitled to vote on this Resolution: <ul style="list-style-type: none"> (a) in accordance with their directions on how to vote as set out in the proxy form; or (b) the proxy is the Chair of the meeting and the appointment expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the KMP. |
| Resolution 4 – Adoption of new Plan | <ul style="list-style-type: none"> a person who is eligible to participate in the Plan |
| Resolution 5 – Remuneration Report | <ul style="list-style-type: none"> by, or on behalf of, a member of the KMP details of whose remuneration is included in the Remuneration Report for the year ended 30 June 2023, or that KMP's Closely Related Party; or as a proxy by a member of the KMP at the date of the meeting, or that KMP's Closely Related Party, unless the vote is cast for a person who is entitled to vote on this resolution: <ul style="list-style-type: none"> (a) in accordance with their directions on how to vote as set out in the proxy form; or (b) the proxy is the Chair of the meeting and the appointment expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the KMP. |
| Resolutions 6, 7 & 8 – Issue of Performance Rights to Directors | <ul style="list-style-type: none"> a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan; or as a proxy by a member of the KMP at the date of the meeting, or that KMP's Closely Related Party, unless the vote is cast for a person who is entitled to vote on this Resolution: <ul style="list-style-type: none"> (c) in accordance with their directions on how to vote as set out in the proxy form; or (d) the proxy is the Chair of the meeting and the |

| |
|--|
| appointment expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the KMP. |
|--|

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

- a person as a 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
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the Resolution in accordance with directions given by the beneficiary of the holder to vote in that way.

Corporations Act – Resolutions 1, 2, 3, 6, 7 & 8.

Section 224 of the Corporations Act provides that, at a general meeting, a vote on Resolutions 1, 2, 3, 6, 7 & 8 must not be cast by or on behalf of:

- (a) a related party of the Company to whom the Resolutions would permit a financial benefit to be given; or
- (b) an associate of such a related party.

In accordance with section 250BD of the Corporations Act, a vote on Resolutions 1, 2, 3, 6, 7 & 8 must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chair and the appointment does not specify how the Chair is to vote but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

Proxies

Please note that:

1. a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
2. a proxy need not be a member of the Company; and
3. a member of the Company entitled to cast two or more votes may appoint a maximum of two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

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

Pursuant to sections 250BB and 250BC of the Corporations Act:

1. if proxy holders vote, they must cast all directed proxies as directed; and
2. any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

If you appoint the Chair as your proxy (or the Chair becomes your proxy by default) and the appointment does not specify the way the proxy is to vote on Resolution 9, you expressly authorise the Chair to exercise the proxy on Resolution 9.

Proxy vote if appointment specifies way to vote

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

1. the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way;
2. if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
3. if the proxy is the Chair at which the resolution is voted on – the proxy must vote on a poll, must vote that way; and
4. if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way.

Transfer of non-chair proxy to chair in certain circumstances

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

1. 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;
2. the appointed proxy is not the Chair;
3. at the meeting, a poll is duly demanded on the resolution; and
4. either of the following applies:
 - (a) the proxy is not recorded as attending the meeting;
 - (b) the proxy does not vote on the resolution,

the Chair 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.

Corporate representative

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. Any corporate Shareholder who has appointed a person to act as its corporate representative at the Annual General Meeting must comply with the execution and appointment requirements set out on the Proxy Form and otherwise with the provisions of sections 127 and 250D of the Corporations Act or with the legal requirements of the country in which that corporate Shareholder was incorporated. The representative should be provided with a certificate or letter authorising him or her to act as that Company's representative including any authority under which it is signed. The authority may be sent to the Company and/or registry in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

Entitlement to attend and vote

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth), the Board has determined that, for the purposes of the Annual General Meeting, Shareholders are those persons who are the registered holders of Shares in the Company at 4pm (WST) on 11 November 2024. Accordingly,

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transactions registered after that time will be disregarded in determining a Shareholder's entitlement to attend and vote at the Meeting.

By order of the Board of Directors:

A handwritten signature in black ink, appearing to read 'M. Howard', written over a horizontal line.

Matthew Howard
Strategic Elements Limited
9 October 2024

Explanatory Notes

1. Accounts and Reports

The Corporations Act requires the financial report and the reports of the Directors and Auditor to be laid before the Annual General Meeting and the Company's Constitution provides for these reports to be received and considered. Neither the Corporations Act nor the Constitution requires a vote of Shareholders at the Annual General Meeting on these reports.

Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report for the financial year ended 30 June 2024 which is available on the ASX platform at www.asx.com.au;
- (b) ask questions or make comment on the management of the Company; and
- (c) ask the Auditor questions about the conduct of the audit and the preparation and content of the Auditor's report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or the Company's Auditor about:

- (a) the preparation and content of the Auditor's report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the company Secretary at the Company's registered office.

2. Resolution 1, 2 & 3 - Approval to Issue Shares In lieu of cash payments to directors under the Plan

2.1 Introduction

The Company has agreed, subject to obtaining Shareholder approval under Resolutions 1, 2, 3 and 4, to issue up to an aggregate of 23,440,421 Shares (**Shares In Lieu Of Cash Payments**) under the Plan in lieu of cash payments payable to each of the three Directors, Mr Charles Murphy, Mr Matthew Howard and Mr Elliot Nicholls (or their nominees) for the period commencing 25 October 2024 and ending 25 October 2027 (**Relevant Period**) under the Plan on the terms and conditions set out below.

The Board proposes to issue the Shares In Lieu Of Cash Payments for the purpose of preserving cash for reinvestment and growth in accordance with the terms of the Plan.

The number of Shares In Lieu Of Cash Payments to be issued during the Relevant Period will be determined by dividing the sum of the cash payments that would otherwise be paid to the director by the volume weighted average price (VWAP) of Shares for the last 5 trading days in which the director elects for any outstanding cash payments to be paid in Shares rather than cash.

Set out below is a worked example of the Shares In Lieu Of Cash Payments that could be issued to each Executive Director (or their nominee) equivalent to a quarter of the cash remuneration amount listed in the Remuneration Report if Resolutions 1, 2 and 3 are passed. Note, this is an example only based on an equivalent amount of cash payments being sacrificed for shares. In the example the cash amount that would have been paid by the Company is retained by the Company and instead Shares are issued in lieu of the payments.

| | Cash amount that would have been paid – retained by the Company | VWAP | Shares In Lieu Of Cash Payments issued |
|-----------------|---|------|--|
| Murphy | 70,500 | 4.3c | 1,639,533 |
| Nicholls | 43,990 | 4.3c | 1,023,021 |
| Howard | 53,000 | 4.3c | 1,232,556 |

Resolutions 1, 2 and 3 seek Shareholder approval for the issue of the Shares In Lieu Of Cash Payments during the Relevant Period under the Plan for the purposes of Listing Rule 10.14.

A summary of the material terms of the Plan is set out in Schedule 1.

2.2 Chapter 2E of 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 Shares In Lieu Of Cash Payments to the Directors constitutes giving a financial benefit and Mr Murphy, Mr Howard and Mr Nicholls are each a related party of the Company by virtue of being directors.

2.3 Section 195(4) of the Corporations Act

Section 195 of the Corporations Act provides that a Director of a public company may not vote or be present during meetings of Directors when matters in which that Director holds a "material personal interest" are being considered, except in certain limited circumstances. Section 195(4) relevantly provides that if there are not enough Directors to form a quorum for a Directors meeting because of this restriction, one or more of the Directors may call a general meeting and the general meeting may pass a resolution to deal with the matter.

As the Shares In Lieu Of Cash Payments are proposed to be issued to all of the Directors of the Company, the Directors consider that they are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Shares In Lieu Of Cash Payments. Accordingly, Shareholder approval for the issue of the Shares In Lieu Of Cash Payments to the Directors is sought in accordance with Chapter 2E of the Corporations Act.

2.4 Listing Rule 10.14

Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to:

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

The issue of the Shares In Lieu Of Cash Payments falls within Listing Rule 10.14.1 and therefore requires shareholder approval under Listing Rule 10.14.

Resolutions 1, 2 and 3 seek shareholder approval for the issue of Shares In Lieu Of Cash Payments under and for the purposes of Listing Rule 10.14.

2.5 Information required by Listing Rule 14.1A

If Resolutions 1, 2 and 3 are passed, the Company will be able to proceed with the issue of the Shares In Lieu Of Cash Payments to the directors within three years after the date of Meeting (or such later date as permitted by any ASX waiver or modification to the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required in order to issue the Shares In Lieu Of Cash Payments as approval is being obtained under Listing Rule 10.14, the issue of the Shares In Lieu Of Cash Payments will not deplete any of the Company's 15% placement capacity.

If Resolutions 1, 2 or 3 are not approved, the Company will not be able to proceed with the issue of Shares In Lieu Of Cash Payments to Mr Murphy, Mr Howard or Mr Nicholls (respectively, or their nominees) and the Company will pay the cash payments, which may not be as cost effective for the Company.

2.6 Information required by Information required by Listing Rule 10.15 and section 219 of the Corporations Act

The following information is provided to Shareholders in relation to Resolutions 1 to 3 for the purposes of Listing Rule 10.15 and section 219 of the Corporations Act:

- (a) the Shares In Lieu Of Cash Payments are proposed to be issued under the Plan to Mr Charles Murphy, Mr Matthew Howard and Mr Elliot Nicholls (or their nominees), each of whom falls within Listing Rule 10.14.1 by virtue of being a Director, (each a **"Related Party"**).
- (b) the maximum number of Shares In Lieu Of Cash Payments (being the nature of the financial benefit to be given) will be issued to the Related Parties (or their respective nominee(s)) as follows:

| Resolution | Related Party | Total Shares In Lieu Of Cash Payments |
|------------|-----------------|---------------------------------------|
| 1 | Charles Murphy | 18,000,000 |
| 2 | Matthew Howard | 18,000,000 |
| 3 | Elliot Nicholls | 18,000,000 |

- (c) the maximum number of Shares In Lieu Of Cash Payments to be issued to each of the Related Parties is 18,000,000 Shares. However, the actual number of Shares In Lieu of Cash Payments will ultimately be set by the amount of remuneration the Related Party elects to sacrifice in lieu of shares in the Company. This recognises that a Related Party may elect to sacrifice a greater amount of remuneration to the extent that the other Related Parties choose to sacrifice a lesser amount. In any case, the total number of Shares In Lieu of Cash Payments will not, in total, exceed the maximum number of 23,440,421 Shares able to be issued under the Plan over the three years and no one Related Party in any circumstance, will be issued more than 18,000,000 Shares In Lieu of Cash Payments
- (d) the Company has not issued any securities under the Plan as this is the first time that Shareholder approval is being sought for the adoption of this Plan. Since the Strategic Elements Employee Securities Incentive Plan ("**Existing Plan**") was last approved by Shareholders on 28 November 2023, each of Mr Murphy, Mr Howards and Mr Nicholls have been issued 2,000,000 performance rights for nil cash consideration. These performance rights are unvested and will only convert to Shares subject to achievement of the performance hurdle.
- (e) the Shares In Lieu Of Cash Payments are fully paid ordinary securities;
- (f) the Shares In Lieu Of Cash Payments will be issued to Mr Murphy, Mr Howards and Mr Nicholls (or their nominees) no later than 3 years after the date of the Meeting (or such later date as

permitted by any ASX waiver or modification to the Listing Rules) and it is intended that the Shares In Lieu Of Cash Payments will be issued progressively;

- (g) the Company has agreed to issue the Shares In Lieu Of Cash Payments to provide a cost effective way for the Company to remunerate the Directors, which will allow the Company to preserve its cash and 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;
- (h) the Shares In Lieu Of Cash Payments are being issued for nil cash consideration as they are being issued in lieu of amounts otherwise payable in cash;
- (i) the Company does not consider that there are any significant opportunity costs to the Company or benefits forgone by the Company in issuing the Shares In Lieu Of Cash Payments to the Related Parties on the terms proposed;
- (j) a summary of the material terms of the Plan is set out in Schedule 1;
- (k) no loan will be made to Mr Charles Murphy, Mr Matthew Howard or Mr Elliot Nicholls in relation to the acquisition of the Shares In Lieu Of Cash Payments under Resolutions 1, 2 and 3;
- (l) details (including the amount) of each Director's current total remuneration package as at the date of this Notice is set out in the table below:

| Director | Current Total Remuneration Package | Component |
|------------------------|---|--|
| Charles Murphy | \$282,000 | Cash |
| | \$77,600 ¹ (calculated value of Performance Rights if hurdle was achieved) | 2,000,000 Performance Rights (unvested and will only convert to Shares subject to achievement of the performance hurdle) |
| Matthew Howard | \$212,000 | Cash |
| | \$77,600 ² (calculated value of Performance Rights if hurdle was achieved) | 2,000,000 Performance Rights (unvested and will only convert to Shares subject to achievement of the performance hurdle) |
| Elliot Nicholls | \$212,000 | Cash |
| | \$77,600 ³ (calculated value of Performance Rights if hurdle was achieved) | 2,000,000 Performance Rights (unvested and will only convert to Shares subject to achievement of the performance hurdle) |

^{1,2,3}: The calculation of the value the Company attributes to the Performance Rights referred to in the above table is set out in Part A of Schedule 3.

- (m) the relevant interests of the Related Parties in securities of the Company:
 - (i) as at the date of this Notice are as follows:

| Related Party | Shares (currently | Options | Performance Rights (unvested and will only convert to Shares subject to achievement of the performance |
|---------------|-------------------|---------|--|
|---------------|-------------------|---------|--|

| | held) | | hurdle) |
|------------------------|------------|-----|-----------|
| Charles Murphy | 10,142,567 | Nil | 2,000,000 |
| Matthew Howard | 7,259,192 | Nil | 2,000,000 |
| Elliot Nicholls | 7,449,048 | Nil | 2,000,000 |

(ii) following the issue of the maximum number of Shares In Lieu Of Cash Payments:

| Related Party | Shares (currently held plus maximum Shares In Lieu Of Cash Payments) | Options | Performance Rights (unvested and will only convert to Shares subject to achievement of the performance hurdle) |
|------------------------|--|---------|--|
| Charles Murphy | 28,142,567 | Nil | 2,000,000 |
| Matthew Howard | 25,259,192 | Nil | 2,000,000 |
| Elliot Nicholls | 25,449,048 | Nil | 2,000,000 |

- (n) if the maximum issue under the Plan of 23,440,421 Shares In Lieu Of Cash Payments are issued to the Related Parties, this will increase the number of Shares on issue from 468,808,437 (being the total number of Shares on issue as at the date of this Notice) to 492,248,858 (assuming that no further Shares are issued, no Performance Rights are converted upon achievement of hurdles and no Options are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 4.99%,
- (o) the trading history of the Shares on ASX in the 12 months before the date of this Notice is as follows:

| | Share price | Date |
|----------------|-------------|-------------------|
| Highest | 9.9c | 15 September 2023 |
| Lowest | 4.1c | 27 June 2024 |
| Last | 4.1c | 11 September 2024 |

- (p) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 1, 2 and 3;
- (q) details of any securities issued under the Plan will be published in each annual report of the Company relating to a period in which they were issued, with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after Resolutions 1, 2 and 3 are approved and who were not named in the Notice will not participate until approval is obtained under that rule;
- (r) the Directors consider that they each have a material personal interest in the outcome of Resolutions 1, 2 and 3 on the basis that they (or their nominees) are to be issued Securities on the same terms and conditions should Resolutions 1, 2 and 3 be passed. For this reason, the

Directors do not believe that it is appropriate to make a recommendation on Resolutions 1, 2 and 3 of this Notice; and

(s) a voting exclusion statement is included in the Notice.

2.7 Directors' recommendation

The Directors decline to make a voting recommendation to Shareholders in respect of Resolutions 1, 2 and 3. However if approved by Shareholders, the Company considers that it will help preserve the Company's cash for reinvestment and growth, demonstrates Directors' commitment and ties in their interests with those of all shareholders.

3. Resolution 4 - Approval of the Plan

3.1 Introduction

The Company's Existing Plan was approved by Shareholders at the Company's AGM on 28 November 2023 (**2023 AGM**).

The Company proposes to adopt a new incentive plan titled the "Strategic Elements Employee Securities Incentive and Shares in Lieu Plan" (**Plan**) so that it may include a shares in lieu arrangement to allow the Company the option for participants, including directors, to be paid in Shares in lieu of cash payments.

The purpose of the Plan is to attract, motivate and retain key employees. The Company considers that the adoption of the Plan will provide selected employees with the opportunity to participate in the Company's future growth and give them an incentive to contribute to that growth. Where Shares in lieu of cash payments are issued the Company considers that it will help preserve the Company's cash for reinvestment and growth, demonstrates Directors' commitment and ties in their interests with those of all shareholders.

Resolution 4 seeks Shareholder approval for the adoption of the Plan and for the issue of a maximum of 23,440,421 Equity Securities under the Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

Any Equity Securities offered to Directors under the Plan will only be made with prior Shareholder approval under Listing Rule 10.14.

The Plan for which approval is sought pursuant to Listing Rule 7.2 (exception 13(b)) under Resolution 4 is summarised in Schedule 1.

3.2 Listing Rules

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue, without approval of its shareholders, 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.

Listing Rule 7.2(exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within 3 years before the date of the issue of securities, the holders of the entity's ordinary securities have approved the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of Equity Securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (exception 13 (b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

As the inclusion of a Shares In Lieu Of Cash Payments arrangement is a material change to the terms of the Existing Plan, the exception 13 in Listing Rule 7.2 ceases to be available for new issues under that plan. For this reason, the Company proposes to adopt a new plan so it may rely on the exception.

3.3 Information required by Listing Rule 14.1A

If Resolution 4 is passed the Company will be able to issue up to a maximum of 23,440,421 Equity Securities for consideration under the Plan pursuant to Listing Rule 7.2 (Exception 13(b)), to eligible participants over a period of 3 years without using the Company's annual 15% placement capacity under Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of Equity Securities under the Plan to a related party or a person whose relationship with the Company or the related party, is in ASX's opinion, such that approval should be obtained.

If Resolution 4 is not passed, the Company will not be able to rely on Listing Rule 7.2 (exception 13(b)). Instead, any issues will be made with either Shareholder approval under Listing Rule 7.1 (and 7.1A if applicable), or in reliance on the Company's available placement capacity under either or both Listing Rules 7.1 and 7.1A as applicable. In the latter case, any issues of Equity Securities will reduce, to that extent, the Company's capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1 and 7.1A as applicable for the 12 months following the issue of such Equity Securities.

3.4 Information required by Listing Rule 7.2 Exception 13(b)

The following information is provided to Shareholders for the purpose of Listing Rule 7.2 Exception 13(b):

- (a) a summary of the terms of the Plan is set out in Schedule 1;
- (b) the Company has not issued any securities under the Plan as this is the first time that Shareholder approval is being sought for the adoption of this plan. Since the Existing Plan was last approved by Shareholders on 28 November 2023, a total of 6,000,000 Performance Rights have been issued that are unvested and will only convert to Shares subject to achievement of the performance hurdle;
- (c) based on the number of Shares on issue as at the date of this Notice, being 468,808,437 Shares, the maximum number of Securities proposed to be issued under the Plan following Shareholder approval is 23,440,421 Equity Securities. Either way, it is not envisaged that the maximum number of Securities for which approval is sought will be issued immediately.
- (d) a voting exclusion statement for Resolution 4 is included in the Notice.

3.5 Board Recommendation

The Board recommends that Shareholders approve Resolution 4.

4. Resolution 5: Remuneration Report

4.1 Introduction

The Remuneration Report discloses the remuneration of Directors of the Company. This report can be found within the Directors Report of the Annual Report.

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers;

- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out remuneration details for each Director and each of the Company's executives and group executives named in the Remuneration Report for the financial year ended 30 June 2024.

Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted. The vote is advisory only and does not bind the Directors or the Company. The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

The Chair will give Shareholders a reasonable opportunity to ask questions about or to make comments on the Remuneration Report.

4.2 Voting consequences

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution to approve calling an extraordinary general meeting at which all of the Company's Directors who were directors when the resolution to make the directors report considered at the later annual general meeting was passed (other than the Managing Director) must go up for re-election (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene an extraordinary general meeting (**Spill Meeting**) within 90 days of the Company's second annual general meeting. All of the directors of the company who were directors of the Company when the resolution to make the directors' report considered at the second annual general meeting was passed, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

4.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting

Voting on Resolution 5 may be determined by a poll at the Meeting rather than a show of hands.

4.4 Board Recommendation

The Board recommends that Shareholders approve Resolution 5.

5. Resolutions 6, 7 & 8 - Grant of Performance Rights to Mr Charles Murphy, Mr Matthew Howard and Mr Elliot Nicholls

5.1 Introduction

The Company believes that successfully transferring the Energy Ink technology to a commercial production facility and manufacturing a minimum volume of 1000 prototype Energy Ink cells will be an important milestone.

Resolutions 6 and 8 seek Shareholder approval to issue 2,500,000 Performance Rights under the Plan to each of Mr Charles Murphy and Mr Elliot Nicholls. Resolution 7 seeks Shareholder approval to issue 1,500,000 Performance Rights under the Plan to Mr Matthew Howard (or their nominees) for the achievement of the above performance hurdle. The issue of Performance Rights to Mr Charles Murphy, Mr Elliot Nicholls and Mr Matthew Howard or their respective nominees is proposed on the terms and conditions set out below.

The performance period is three years from the date of Shareholder approval (**Performance Period**). The Performance Rights will vest on the achievement of a specific performance hurdle.

5.2 Vesting Conditions of the Performance Rights

The Company has determined that under the Plan, the Performance Rights will vest subject to the achievement of the specific performance hurdle and the terms and conditions of the Plan. The Performance Period commences from the date of shareholder approval of Resolutions 6, 7 and 8 respectively.

The performance hurdle is as follows:

| Performance Hurdle | Performance Rights | Recipients |
|---|--------------------|-------------|
| Transfer the Energy Ink technology to a commercial production facility and manufacture a minimum volume of 1000 prototype Energy Ink cells. | 2,500,000 | Mr Murphy |
| Transfer the Energy Ink technology to a commercial production facility and manufacture a minimum volume of 1000 prototype Energy Ink cells. | 1,500,000 | Mr Howard |
| Transfer the Energy Ink technology to a commercial production facility and manufacture a minimum volume of 1000 prototype Energy Ink cells. | 2,500,000 | Mr Nicholls |

If the relevant performance conditions are satisfied, the vesting of Performance Rights will occur subject to the terms and conditions of the Plan. The Performance Rights lapse if and to the extent that the performance conditions are not met. There is no re-testing.

Each Performance Right, once vested, entitles the holder to be issued one fully paid ordinary share in the capital of the Company. Performance Rights may be issued directly or as a Performance Unit (referrable to a Performance Right) allocated by a trustee appointed by the Company and upon such additional terms as the Board determines.

5.3 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 2.2 above.

The issue of the Performance Rights to the Related Parties constitutes giving a financial benefit and each of the Related Parties is a related party of the Company by virtue of being Director.

5.4 Section 195(4) of the Corporations Act

A summary of section 195(4) of the Corporations Act is set out in Section 2.3 above.

As the Performance Rights are proposed to be issued to all of the Directors of the Company, the Directors consider that they are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Performance Rights. Accordingly, Shareholder approval for the issue of the Performance Rights to the Directors is sought in accordance with Chapter 2E of the Corporations Act.

5.5 Listing Rule 10.14

A summary of Listing Rule 10.14 is set out in Section 2.4.

In accordance with Listing Rule 10.14, the Company is seeking shareholder approval for the grant of Performance Rights to each of the Related Parties under the Plan.

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Performance Rights as approval is being obtained under Listing Rule 10.14. The issue of Performance Rights to the Related Parties will not be included in the 15% calculation for the purposes of Listing Rule 7.1.

5.6 Information required by Listing Rule 14.1A

If Resolution 6 is passed, the Company will be able to issue 2,500,000 Performance Rights under the Plan to Mr Murphy (or his nominee). The Performance Rights will only convert to Shares subject to achievement of the performance hurdle.

If Resolution 7 is passed, the Company will be able to issue 1,500,000 Performance Rights under the Plan to Mr Howard (or his nominee). The Performance Rights will only convert to Shares subject to achievement of the performance hurdle.

If Resolution 8 is passed, the Company will be able to issue 2,500,000 Performance Rights under the Plan to Mr Nicholls (or his nominee). The Performance Rights will only convert to Shares subject to achievement of the performance hurdle.

As shareholder approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Rights (because shareholder approval is being obtained under Listing Rule 10.14), the issue of Performance Rights subject to Resolutions 6, 7 and 8 (if approved) will not use up any of the Company's 15% placement capacity.

If Resolutions 6, 7 or 8 are not approved, the Company will not be able to proceed with the respective issues to Mr Murphy, Mr Howard or Mr Nicholls and the Company may consider alternative forms of remuneration for Mr Murphy, such as cash, which may not be as cost effective for the Company.

5.7 Information required pursuant to Listing Rule 10.15 and section 219 of the Corporations Act

The following information is provided to Shareholders in relation to Resolutions 6 to 8 for the purposes of Listing Rule 10.15 and section 219 of the Corporations Act:

- (a) Performance Rights are proposed to be issued under the Plan to Mr Charles Murphy, Mr Matthew Howard and Mr Elliot Nicholls. Each recipient falls within Listing Rule 10.14.1 by virtue of being a Director and is a Related Party.
- (b) The maximum number of Performance Rights to be granted (being the nature of the financial benefit to be given) is 6,500,000 comprising 2,500,000 Performance Rights to Mr Charles Murphy (or his nominee), 2,500,000 Performance Rights to Mr Elliot Nicholls (or his nominee), and 1,500,000 to Mr Matthew Howard (or his nominee).
- (c) Details (including the amount) of each Director's current total remuneration package as at the date of this Notice is set out in Section 2.6(l) above.
- (d) Since the Existing Plan was last approved on 28 November 2023 by Shareholders, Mr Charles Murphy, Mr Elliot Nicholls and Mr Matthew Howard each received a total of 2,000,000 Performance Rights for nil consideration. No issued Performance Rights were converted to Shares as the relevant performance hurdle has not been met. No Securities have been issued under the Plan.
- (e) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out in Section 2.6 (m)(i) above.

Following the issue of the Performance Rights under Resolutions 6, 7 and 8, the relevant interests of the Related Parties will be as follows:

| Related Party | Shares (currently held) | Options | Performance Rights (unvested and will only convert to Shares subject to achievement of the performance |
|----------------------|--------------------------------|----------------|---|
|----------------------|--------------------------------|----------------|---|

| | | | hurdle) |
|------------------------|------------|-----|----------------|
| Charles Murphy | 10,142,567 | Nil | 4,500,000 |
| Matthew Howard | 7,259,192 | Nil | 3,500,000 |
| Elliot Nicholls | 7,449,048 | Nil | 4,500,000 |

- (f) if an aggregate of 6,500,000 Performance Rights are issued and are converted by the Related Parties, this will increase the number of Shares on issue from 468,808,437 (being the total number of Shares on issue as at the date of this Notice) to 475,308,437 (assuming that no further Shares and no Shares In Lieu Of Cash Payments are issued, no other Performance Rights are converted and no Options are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 1.39%, comprising 0.53% by Mr Murphy, and 0.32% by Mr Howard and 0.53% by Elliot Nicholls (or their nominees);
- (g) the trading history of the Shares on ASX in the 12 months before the date of this Notice is as set out in Section 2.6(o) above.
- (h) A summary of the material terms of the Performance Rights is provided in **Schedule 2**.
- (i) Performance Rights are being issued to:
- assist in the reward, retention and motivation of Directors;
 - link the reward of Directors to shareholder value creation; and
 - align the interests of Directors with shareholders of the Company by providing an opportunity to Directors, to receive an equity interest in the Company in the form of securities.
- (j) The Company attributes a value of \$32,500 for the Performance Rights proposed to be issued to Mr Murphy and Mr Nicholls and \$19,350 for the Performance Rights proposed to be issued to Mr Howard on the basis set out in Part B of **Schedule 3**.
- (k) The Performance Rights will be issued to Mr Charles Murphy, Mr Matthew Howard and Mr Elliot Nicholls (or their nominee) no later than 3 years after the date of the Meeting.
- (l) The Performance Rights are being issued for nil cash consideration under the terms of the Plan as a performance incentive.
- (m) the Company does not consider that there are any significant opportunity costs to the Company or benefits forgone by the Company in issuing the Performance Rights to the Related Parties on the terms proposed.
- (n) a summary of the material terms of the Plan is provided in **Schedule 1**.
- (o) no loan will be made to Mr Charles Murphy, Mr Matthew Howard or Mr Elliot Nicholls in relation to the acquisition of Performance Rights under Resolutions 6, 7 and 8.
- (p) the Directors consider that they each have a material personal interest in the outcome of Resolutions 6, 7, and 8 on the basis that the Directors (or their nominees) are to be issued Securities on the same terms and conditions should Resolutions 6, 7 and 8 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 7, 8 and 9 of this Notice.

- (q) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 6, 7 and 8;
- (r) details of any securities issued under the Plan will be published in each annual report of the Company relating to a period in which they were issued, with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after Resolutions 6, 7 and 8 are approved and who were not named in the Notice will not participate until approval is obtained under that rule.
- (s) A voting exclusion statement is included in the Notice.

5.8 Directors' recommendation

The Directors decline to make a voting recommendation to Shareholders in respect of Resolutions 6, 7 and 8.

6. Resolution 9: Re-election of Mr Matthew Howard as a Director

6.1 Background

The Company's Constitution requires that one-third of the Directors retire by rotation at each Annual General Meeting and that Directors appointed by the Board hold office until the next annual general meeting.

Mr Howard was first appointed as a Director on 19 December 2008 and is a Director of the Company. In accordance with Clause 11.3 of the Company's constitution Mr Howard offers himself for re-election.

Further information on Mr Matthew Howard can be found in the Directors' Report contained within the Annual Report.

6.2 Board Recommendation

The Board, other than Mr Matthew Howard, unanimously recommends that Shareholders vote in favour of Resolution 9.

GLOSSARY

In the Notice and Explanatory Notes:

| | |
|--|--|
| Accounting Standards | has the meaning given to that term in the Corporations Act. |
| ASX | means ASX Limited or the Australian Securities Exchange operated by ASX Limited, as the context requires. |
| Annual Report | the annual report of the Company for the year ended 30 June 2023. |
| Auditor | means Nexia Perth Audit Services Pty Ltd. |
| Board | means the board of Directors. |
| Chair | means the chair of the Meeting. |
| Closely Related Party | has the meaning given to that term in the Corporations Act. |
| Company | means Strategic Elements Limited (ACN 122 437 503). |
| Constitution | means the constitution of the Company. |
| Corporations Act | means the Corporations Act 2001 (Cth) as amended. |
| Director | means a director of the Company. |
| Equity Securities | has the meaning given to that term in the Listing Rules. |
| Existing Plan | has the meaning given in Section 6.1 of the Explanatory Notes. |
| Explanatory Notes | means the explanatory notes accompanying the Notice. |
| Investee | means any Australian company which the Company holds an investment in. |
| Key Management Personnel or KMP | has the meaning given to that term in the Accounting Standard. |
| Listing Rules | means the listing rules of the ASX. |
| Meeting or Annual General Meeting | means the meeting convened by the Notice. |
| Notice | means this notice of annual general meeting. |
| Placement | has the meaning given in Section 4.1 of the Explanatory Notes |
| Plan | means the Company's Employee Securities Incentive and Shares in Lieu Plan the subject of Resolution 4. |
| Proxy Form | means the proxy form attached to this Notice. |
| Remuneration Report | The remuneration report set out in the Directors' Report section of the Company's annual financial report for the year ended 30 June 2024. |
| Resolution | means a resolution to be considered at the Meeting as contained in the Notice. |

| | |
|--|--|
| Section | means a Section of the Explanatory Notes. |
| Shares In Lieu Of Cash Payments | has the meaning given in Section 2.1. |
| Share | means a fully paid ordinary share in the capital of the Company. |
| Shareholder | means a holder of a Share. |
| \$ | means Australian dollars. |

Schedule 1: Summary of key terms of Plan

Set out below is a summary of the key terms of the Strategic Elements Limited Employee Securities Incentive and Shares in Lieu Plan (**Plan**). The full terms of the Plan may be inspected at the registered office of the Company during normal business hours. It is intended that both the Executive and Non-Executive Directors will participate in the Plan.

1. **Eligible Participant** means a person that has been determined by the Board to be eligible to participate in the Plan from time to time and is an “ESS participant” (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an associated entity of the Company. This relevantly includes, amongst others:
 - (a) an employee or director of the Company or an individual who provides services to the Company;
 - (b) an employee or director of an associated entity of the Company or an individual who provides services to such an associated entity, where that associated entity is a body corporate);
 - (c) a prospective person to whom paragraphs (i) or (ii) apply;
 - (d) a person prescribed by the relevant regulations for such purposes; or
 - (e) certain related persons on behalf of the participants described in paragraphs (a) to (d) (inclusive).
2. **Prior Shareholder approval for issues to Directors:** The Company will require prior Shareholder approval for the issue of Securities under the Plan to Directors, their associates, and any other person whose relationship with the Company or a Director or a Director’s associate is such that, in ASX’s opinion, the acquisition should be approved by Shareholders. The issue of Securities with Shareholder approval will not count towards the ASX limit.
3. **Purpose:** The purpose of the Plan is to:
 - (a) assist in the reward, retention and motivation of Eligible Participants;
 - (b) link the reward of Eligible Participants to Shareholder value creation;
 - (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities;
 - (d) provide competitive remuneration for the retention of key ESS Participants;
 - (e) allow the Company to retain cash reserves; and
 - (f) assist with remuneration planning for ESS Participants.
4. **Plan administration:** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion, subject to compliance with applicable laws and the Listing Rules. The Board may delegate its powers and discretion.
5. **Eligibility, invitation and application:** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides. An invitation issued under the Plan

will comply with the disclosure obligations pursuant to Division 1A. On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation. A waiting period of at least 14 days will apply to acquisitions of Securities for monetary consideration as required by the provisions of Division 1A.

6. **Grant of Securities:** The Company will, to the extent that it has accepted a duly completed application, grant the successful Eligible Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
7. **Issue of Plan Shares:** The Company will, to the extent that it has accepted a duly completed application, and deduction of any shares in lieu contribution, either issue, transfer or allocate to the Participant the relevant number of Plan Shares, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
8. **Maximum allocation:** The Company must not make an offer of Securities under the Plan in respect of which monetary consideration is payable where the total number of Plan Shares that may be issued, or acquired upon exercise of Plan Convertible Securities offered, when aggregated with the number of Shares issued or that may be issued as a result of offers made under the Plan at any time during the previous 3 year period would exceed 5% of the total number of Shares on issue at the date of the offer or such other limit as may be specified by the relevant regulations or the Company's Constitution from time to time.
9. **Terms of Convertible Securities:** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.
10. **Vesting of Convertible Securities:** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.
11. **Exercise of Convertible Securities and cashless exercise:** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation. At the time of exercise of the Convertible Securities, and subject to Board approval, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities. Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation. A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

12. **Delivery of Shares on exercise of Convertible Securities:** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
13. **Forfeiture of Convertible Securities:** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

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

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
 - (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
14. **Uncontrollable event:** In the event of an uncontrollable event (such as death, serious injury, disability or illness, which renders the Participant incapable of continuing their employment with the Company, redundancy, removal of a Board member or other defined events), any unvested Convertible Securities will vest. The Participant may, at any time prior to the first to occur of the Expiry Date and 3 months (or such other period as the Board shall, in its absolute discretion, determine) from the date on which the Participant ceased that employment or engagement, exercise all vested Convertible Securities in accordance with the Plan rules. Unless as otherwise set out in the Plan rules, any Convertible Securities not so exercised will lapse and be forfeited.
15. **Change of control:** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
16. **Rights attaching to Plan Shares:** All Shares issued under the Plan or issued or transferred to an ESS Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank *pari passu* in all respects with the Shares of the same class. An ESS Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. An ESS Participant may exercise any voting rights attaching to Plan Shares.
17. **Disposal restrictions on Securities:** If the invitation provides that any Plan Shares or Convertible Securities are subject to any restrictions as to the disposal or other dealing by an ESS Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.
18. **Adjustment of Convertible Securities for capital events:** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), a rights issue, or any other such event the Board considers significant to the operation of the Plan, the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation. If Shares are issued by the

Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

19. **Other capital events:** If the Company announces a priority issue in relation to an initial public offering of an Investee or an in-specie distribution of shares of an Investee, all unvested Convertible Securities will automatically vest and any Shares issued as a result must be issued 3 days prior to any relevant Record Date.
20. **Participation in new issues:** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
21. **Alteration of Shares in lieu Contribution:** A Participant may, in Special Circumstances, request in writing to the Board, to vary the Participants Shares in lieu contribution amount, which the Board may accept or decline in its sole and absolute discretion.
22. **Termination of Shares in lieu Contributions:** A Participant may in writing to the Board, request to terminate a prior Shares in lieu arrangement and their participation in the Plan at any time. Subject to Applicable Law, with effect from the time the Board receives a termination notice, the Shares in lieu arrangement will be terminated and no further Shares in lieu contributions for Participant Shares will be made in respect of the Participant and no Participant Shares will be granted, issued, transferred or allocated to the Participant in consideration for any Shares in lieu contributions made under the Plan that have not at the time of the receipt of the Termination Notice been used for or applied to the grant of the Participant Shares and any such amounts will be repaid to the Participant with any interest.
23. **Amendment of Plan:** The Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect. However, no amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.
24. **Income Tax Assessment Act:** the Plan is a plan to which Subdivision 83A-C of the *Income Tax Assessment Act 1977* (Cth) applies (subject to the conditions in that Act) except to the extent that an invitation provides otherwise.

Schedule 2: Terms and Conditions Performance Rights

1. **Entitlement:** Subject to the terms and conditions set out below, each Performance Right, once vested, entitles the holder to the issue of one fully paid ordinary share in the capital of the Company (**Share**).
2. **Issue Price:** The Performance Rights are issued for nil cash consideration.
3. **Vesting Conditions:** Subject to the terms and conditions set out below, the Performance Rights will have the vesting conditions (**Vesting Condition**) specified below:
 - (a) Transfer the Energy Ink technology to a commercial production facility and manufacture a minimum volume of 1000 prototype Energy Ink cells
4. **Vesting:** Subject to the satisfaction of the Vesting Condition, the Company will notify the Holder in writing (**Vesting Notice**) within 3 Business Days of becoming aware that the relevant Vesting Condition has been satisfied.
5. **Expiry Date:** The Performance Rights will expire and lapse on the first to occur of the following:
 - (a) the Vesting Condition becoming incapable of satisfaction due to the cessation of employment or engagement of the holder with the Company (or any of its subsidiary entities) (subject to the exercise of the Board's discretion under the Plan); and
 - (b) 5pm on the date which is 3 years after the date of issue of the Performance Rights, (**Expiry Date**).
6. **Exercise:** At any time between receipt of a Vesting Notice and the Expiry Date (as defined in clause 5 above), the holder may apply to exercise Performance Rights by delivering a signed notice of exercise to the Company Secretary. The holder is not required to pay a fee to exercise the Performance Rights.
7. **Issue of Shares:** As soon as practicable after the valid exercise of a vested Performance Right, the Company will:
 - (a) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled;
 - (b) issue a substitute Certificate for any remaining unexercised Performance Rights held by the holder;
 - (c) if required, and subject to clause 8, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (d) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules.
8. **Restrictions on transfer of Shares:** If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of the Performance Rights may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act. The Company is authorised by the holder to apply a holding lock on the relevant Shares during the period of such restriction from trading.
9. **Ranking:** All Shares issued upon the conversion of Performance Rights will upon issue rank equally in all respects with other Shares.
10. **Transferability of the Performance Rights:** The Performance Rights are not transferable,

except with the prior written approval of the Company at its sole discretion and subject to compliance with the Corporations Act and Listing Rules.

11. **Dividend rights:** A Performance Right does not entitle the holder to any dividends.
12. **Voting rights:** A Performance Right does not entitle the holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.
13. **Quotation of the Performance Rights:** The Company will not apply for quotation of the Performance Rights on any securities exchange.
14. **Adjustments for reorganisation:** If there is any reorganisation of the issued share capital of the Company, the rights of the Performance Rights holder will be varied in accordance with the Listing Rules.
15. **Entitlements and bonus issues:** Subject to the rights under clause 16, holders will not be entitled to participate in new issues of capital offered to shareholders such as bonus issues and entitlement issues.
16. **Bonus issues:** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the number of Shares which must be issued on the exercise of a vested Performance Right will be increased by the number of Shares which the holder would have received if the holder had exercised the Performance Right before the record date for the bonus issue.
17. **Return of capital rights:** The Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
18. **Rights on winding up:** The Performance Rights have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company
19. **Takeovers prohibition:**
 - (a) the issue of Shares on exercise of the Performance Rights is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act; and
 - (b) the Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Shares on exercise of the Performance Rights.
20. **No other rights:** A Performance Right does not give a holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
21. **Amendments required by ASX:** The terms of the Performance Rights may be amended as considered necessary by the Board in order to comply with the Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the holder are not diminished or terminated.
22. **Plan:** The Performance Rights are issued pursuant to and are subject to the Plan. In the event of conflict between a provision of these terms and conditions and the Plan, these terms and conditions prevail to the extent of that conflict.
23. **Constitution:** Upon the issue of the Shares on exercise of the Performance Rights, the holder will be bound by the Company's Constitution.

Schedule 3: Value attributed by Company to Performance Rights and basis

Part A: Current Remuneration Package

The calculation of the value the Company attributes to the Performance Rights which form part of the Director's Current Total Remuneration Package referred to in Section 2.6(l) was disclosed in the 2023 Notice of Meeting (**2023 Performance Rights**) and is set out below:

For the purposes of valuing the 2023 Performance Rights, the Company has used a probability model which calculated the value over the 2 year performance period commencing from the date of Shareholder approval (**2023 Performance Rights Period**) based on the probability of attaining the hurdle, the number of shares issued assuming the performance rights are converted and the share price at the time of the 2023 Notice of Meeting and subject to the hurdles being achieved within the 2023 Performance Rights Period. The maximum value attributed to each director for the 2023 Performance Rights is \$77,600.

Vesting conditions

The vesting condition for the 2023 Performance Rights is the development of a prototype energy ink device that uses moisture and generates at least 1kw of power and the Directors remaining in continuous employment with the Company over the Performance Period.

Part B: Performance Rights under Resolutions 6, 7 and 8

The Company obtained an independent valuation of the proposed issue of Performance Rights in resolutions 6, 7 and 8 (**2024 Performance Rights**). The proposed performance hurdle is:

the transfer of the Energy Ink technology to a commercial production facility and manufacture a minimum volume of 1000 prototype Energy Ink cells.

If the above performance hurdle is met within 3 years of the date of Shareholder approval (**2024 Performance Rights Period**), the 2024 Performance Rights will vest to directors as described in the Explanatory Notes.

Vesting conditions

The vesting condition for the 2024 Performance Rights is the transfer of the Energy Ink technology to a commercial production facility and manufacture a minimum volume of 1000 prototype Energy Ink cells.

For the purposes of valuing the 2024 Performance Rights, the Company has used a probability model which calculated the value over the 2024 Performance Rights Period based on the probability of attaining the hurdle, the number of shares issued assuming the performance rights are converted and the share price at the time of this Notice of Meeting. A value of \$32,500 has been attributed for the 2024 Performance Rights proposed to be issued to Mr Murphy and Mr Nicholls and \$19,350 for the 2024 Performance Rights proposed to be issued to Mr Howard over the 2024 Performance Rights Period.



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9 October 2024

Dear Shareholders,

Attached with this email is your personalised Proxy Voting Form for the upcoming Annual General Meeting for 2024.

Please note the important resolutions that enable the Company to reduce cash payments to key personnel by paying remuneration in shares instead of cash.

If shareholders vote for these resolutions the Company will be able to request key personnel forgo cash payments and instead be paid in shares.

This has potential benefits of preserving cash, aligning key interests with shareholders and delivering a transformative innovation to drive significant future value creation for all stakeholders.

This initiative further demonstrates the boards commitment to careful management of the Company's cash position.

I therefore urge you to vote in support of these resolutions by returning the Proxy Voting Form that has been sent to you to the share registry as per instructions.

Copies of the Notice of Meeting and the Annual Report for 2024 can be found on the Company's website.

Yours sincerely,

Charles Murphy
Managing Director

Proxy Voting Form

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

Your proxy voting instruction must be received by **03.00pm (AWST) on Monday, 11 November 2024**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of Key Management Personnel.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE:

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