



## Annual General Meeting – Notice and Proxy Form

22 October 2020

Dear Shareholder,

Venus Metals Corporation Limited (ASX: VMC) (**Company**) is convening an Annual General Meeting (**Meeting**) to be held:

- at Vibe Hotel Subiaco, 9 Alvan St, Subiaco Western Australia 6008
- on Thursday, 26 November 2020 at 10.00am (AWST).

In accordance with subsection 5(f) of the Corporations (Coronavirus Economic Response) Determination (No. 1) 2020, the Company will not be dispatching physical copies of the Notice of Meeting (**Notice**).

The Notice can be viewed and download from this website <https://www.venusmetals.com.au/investors-relations/notice-of-meetings>

The Annual Report 2020 can be viewed and download from this website <https://www.venusmetals.com.au/investors-relations/annual-reports>

As you have not elected to receive notices by email, a copy of your personalised proxy form is enclosed for your convenience. **Shareholders are encouraged to complete and lodge their proxies online or otherwise in accordance with the instructions set out in the proxy form and the Notice.**

Your proxy voting instruction must be received by 10.00am (AWST) on Tuesday, 24 November 2020, being not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting.

The Notice is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser. If you have any difficulties obtaining a copy of the Notice of Meeting please contact the Company Secretary at:

- Unit 2, 8 Alvan St, Subiaco Western Australia 6008, Australia
- Tel: +61 8 9321 7541 Email: [patrick@venusmetals.com.au](mailto:patrick@venusmetals.com.au).

Circumstances relating to COVID-19 are changing rapidly. The Company will update shareholders if changing circumstances will impact the planning or arrangements for the Meeting by way of announcement on ASX and the details will also be made available on our website at [www.venusmetals.com.au](http://www.venusmetals.com.au).

The Company appreciates the understanding of shareholders during this time.

Yours faithfully

Patrick Tan  
**Company Secretary**  
**Venus Metals Corporation Limited**



**VENUS METALS**  
CORPORATION LIMITED

ABN: 99 123 250 582

**NOTICE OF ANNUAL GENERAL  
MEETING AND EXPLANATORY  
MEMORANDUM TO  
SHAREHOLDERS**

**Date of Meeting**

26 November 2020

**Time of Meeting**

10.00am (AWST)

**Place of Meeting**

Vibe Hotel Subiaco, 9 Alvan Street, Subiaco, Perth. Western Australia 6008

**A Proxy Form is enclosed**

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Annual General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

# VENUS METALS CORPORATION LIMITED

## ABN 99 123 250 582

### NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Venus Metals Corporation Limited ABN 99 123 250 582 will be held at Vibe Hotel Subiaco, 9 Alvan St, Subiaco, Perth, Western Australia 6008 on 26 November 2020 at 10.00am (AWST) for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

#### AGENDA

##### 1 Financial Reports

To receive and consider the financial report of the Company for the year ended 30 June 2020, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

##### 2 Resolution 1 – Non Binding Resolution to adopt Remuneration Report

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

*"That the Remuneration Report for the year ended 30 June 2020 as set out in the 2020 Annual Report be adopted."*

**Note:** The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

**Voting exclusion statement:** The Company will disregard any votes cast on the Resolution by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution or the proxy is the Chair of the Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and 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; and
- (b) it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution ; or
- (b) the proxy is the Chair of the Meeting and the appointment 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. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

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

##### 3 Resolution 2 – Re-election of Mr Selvakumar Arunachalam as a Director

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

*"That, Mr Selvakumar Arunachalam, who retires in accordance with clause 13.2 of the Constitution and, being eligible for re-election, be re-elected as a Director."*

#### 4 Resolution 3 – Approval of Additional 10% Placement Capacity

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

*"That, for the purpose of Listing Rule 7.1A and all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."*

#### 5 Resolution 4 – Grant of Incentive Options to Mr Peter Charles Hawkins, or his nominee

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

*"That, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 300,000 Incentive Options at an issue price of \$0.0001 per Incentive Option, with each Incentive Option having an exercise price of \$0.30 and an expiry date of 30 November 2023, to Mr Peter Charles Hawkins or his nominee, on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum)."*

**Voting exclusion statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question; or
- (b) an Associate of those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a 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.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment 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. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

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

## 6 Resolution 5 – Grant of Incentive Options to Mr Matthew Vernon Hogan, or his nominee

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

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 600,000 Incentive Options at an issue price of \$0.0001 per Incentive Option, with each Incentive Option having an exercise price of \$0.30 and an expiry date of 30 November 2023, to Mr Matthew Vernon Hogan or his nominee, on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum).”*

**Voting exclusion statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question; or
- (b) an Associate of those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a 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.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment 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. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

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

## 7 Resolution 6 – Grant of Incentive Options to Mr Barry Fehlberg or his nominee

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

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 400,000 Incentive Options at an issue price of \$0.0001 per Incentive Option, with each Incentive Option having an exercise price of \$0.30 and an expiry date of 30 November 2023, to Mr Barry Fehlberg or his nominee, on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum).”*

**Voting exclusion statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question; or
- (b) an Associate of those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a 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.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment 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. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

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

## 8 Resolution 7 – Grant of Incentive Options to Mr Selvakumar Arunachalam or his nominee

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

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 500,000 Incentive Options at an issue price of \$0.0001 per Incentive Option, with each Incentive Option having an exercise price of \$0.30 and an expiry date of 30 November 2023, to Mr Selvakumar Arunachalam or his nominee, on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum).”*

**Voting exclusion statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question; or
- (b) an Associate of those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a 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.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or

(b) *the proxy is the Chair of the Meeting and the appointment 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. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.*

*Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.*

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

## **OTHER BUSINESS**

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**To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.**

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Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

**By order of the Board**

**Patrick Tan**

Company Secretary

Dated: 22 October 2020

## How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post by electronic address or by facsimile.

### Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

### Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

### Voting by proxy

- A Shareholder entitled to attend and vote is also entitled to appoint a proxy. Where a Shareholder is entitled to cast 2 or more votes at the Meeting, that Shareholder may appoint up to two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolutions 1, 4, 5, 6 and 7 in accordance with a direction on how the proxy is to vote or, if the proxy is the Chair of the Meeting and

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

- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.
- To be effective, proxies must be received by 10.00am (AWST time) on 24 November 2020. Proxies received after this time will be invalid.
- Proxies may be lodged using any of the following methods:
  - by post by returning a completed Proxy Form to:  
Automic, GPO 5193, Sydney, NSW 2001
  - in person by returning a completed Proxy Form to:  
Automic, Level 5, 126 Phillip Street, Sydney, NSW 2000
  - by faxing a completed Proxy Form to:  
+61 2 8583 3040
  - by emailing a completed Proxy Form to [meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au) or recoding the proxy appointment and voting instructions via the internet at <https://investor.automic.com.au/#/loginah>. Only registered Shareholders may access this facility and will need their Holder Identification Number (HIN) or Securityholder Reference Number (SRN).

- The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by the Company at the above address, or by facsimile, or by email, and by 10.00am (AWST time) on 24 November 2020. If facsimile transmission is used, the Power of Attorney must be certified.

**Shareholders who are entitled to vote**

In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 5:00pm (AWST time) on 24 November 2020.

# VENUS METALS CORPORATION LIMITED

## ABN 99 123 250 582

### EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

#### 1 Financial Reports

The first item of the Notice deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2020, together with the Directors' declaration and report in relation to that financial year and the Auditor's Report on the financial report. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the management of the Company.

The Chair will also give Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to:

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

The Chair will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

#### 2 Resolution 1 – Non Binding Resolution to adopt Remuneration Report

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's 2020 Annual Report be adopted. The Remuneration Report is set out in the Company's 2020 Annual Report and is also available on the Company's website ([www.venusmetals.com.au](http://www.venusmetals.com.au)).

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

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put a resolution to the second Annual General Meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second Annual General Meeting. All of the Directors who were in office when the applicable Directors' Report was approved, other than the Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The remuneration report for the financial year ended 30 June 2019 did not receive a vote of more than 25% against its adoption at the Company's last general meeting held on 25 November 2019. Accordingly, if at least 25% of the votes cast on this Resolution are against adoption of the Remuneration Report it will not result in the Company putting a Spill Resolution to Shareholders.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any equity based compensation.

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

## **Voting**

Note that a voting exclusion applies to this Resolution in the terms set out in the Notice.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

### **3 Resolution 2 – Re-election of Mr Selvakumar Arunachalam as a Director**

Pursuant to Clause 13.2 of the Company's Constitution, Mr Selvakumar Arunachalam, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Selvakumar Arunachalam holds a MAusIMM M.Sc (Geology), M.Tech (Hydrogeology), PG Dip in Geothermal Tech (NZ) and Dip in Science (GIS) (NZ). Mr Selvakumar Arunachalam has over 30 years' experience in geology in India, New Zealand and Australia. Mr Arunachalam was also an employee of United Minerals Corporation NL until February 2010.

Mr Arunachalam does not currently hold any other material directorships.

Mr Arunachalam was first appointed to the Board on 15 July 2011 and was last re-elected to the Board on 28 November 2018.

The Directors do not consider Mr Arunachalam to be an independent director.

Based on Mr Arunachalam's relevant experience and qualifications the members of the Board, in the absence of Mr Arunachalam, support the re-election of Mr Arunachalam as a director of the Company.

### **4 Resolution 3 – Approval of Additional 10% Placement Capacity**

#### **Background**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25% (**Listing Rule 7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

This Resolution seeks Shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If this Resolution is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

### **The number of Equity Securities which may be issued pursuant to the Listing Rule 7.1A Mandate**

Based on the number of Shares on issue at the date of this Notice, the Company will have 151,078,683 Shares on issue and therefore, subject to Shareholder approval being obtained under this Resolution, 15,107,868 Equity Securities will be permitted to be issued in accordance with Listing Rule 7.1A. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Listing Rule 7.1A Mandate is a moving calculation and will be based the formula set out in Listing Rule 7.1A.2 at the time of issue of the Equity Securities. That formula is:

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

- A** is the number of Shares on issue 12 months immediately preceding the date of issue or agreement (**Relevant Period**):
- (a) plus the number of fully paid Shares issued in the Relevant Period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
    - (i) plus the number of fully paid Shares issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
      - (ii) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
      - (iii) the issue of, or agreement to issue, the convertible securities was approved or taken under the Listing Rules to have been approved, under Listing Rules 7.1 or 7.4;
  - (b) plus the number of Shares issued in the Relevant Period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
    - (i) the agreement was entered into before the commencement of the Relevant Period; or
    - (ii) the agreement or issue was approved, or taken under these rules to have been approved, under Listing Rules 7.1 or 7.4;
  - (c) plus the number of fully paid Shares issued in the Relevant Period with approval of holders of Shares under Listing Rules 7.1 and 7.4;
  - (d) plus the number of party paid Shares that become fully paid in the Relevant Period;
  - (e) less the number of fully paid Shares cancelled in the Relevant Period.

*Note that 'A' is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

- D** is 10%

- E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the Relevant Period where the issue or agreement to issue has not been subsequently approved by Shareholders under Listing Rule 7.4.

**Specific information required by Listing Rule 7.3A**

- (a) If the Resolution is passed, the Listing Rule 7.1A Mandate will be valid during the period from the date of the Annual General Meeting and will expire on the earlier of:
- (i) the date that is 12 months after the date of the Annual General Meeting;
  - (ii) the time and date of the Company's next Annual General Meeting; and
  - (iii) the time and date on which the Company receives approval by Shareholders for a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) (**Approval Period**).
- (b) The Equity Securities to be issued will be in an existing class of quoted securities and will be issued for cash consideration at an issue price per Equity Security of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 Trading Days on which trades in the class were recorded immediately before:
- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
  - (ii) if the Equity Securities are not issued within ten Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) The Company may seek to issue the Equity Securities for cash consideration. The Company intends to use the funds raised for advancing all exploration projects held by the Company at that time, general working capital requirements and the costs of the issue.
- (d) If this Resolution is approved by Shareholders and the Company issues Equity Securities under the Listing Rule 7.1A Mandate, the existing Shareholders' economic and voting interests in the Company will be diluted. There is also a risk that:
- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date the Listing Rule 7.1A Mandate was approved; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities; or

The table below demonstrates the potential dilution of existing Shareholders in three differing scenarios.

Variable 'A' (refer above for calculation)		Dilution		
		\$0.13 Issue Price at half the current market price	\$0.26 Issue Price at current market price	\$0.52 Issue Price at double the current market price
<b>Current Variable 'A'</b>  151,078,683 Shares	<b>Shares issued</b>	15,107,868	15,107,868	15,107,868
	<b>Funds raised</b>	1,964,023	3,928,046	7,856,092
	<b>Dilution</b>	10%	10%	10%
<b>50% increase in current Variable 'A'</b>  226,618,024 Shares	<b>Shares issued</b>	22,661,802	22,661,802	22,661,802
	<b>Funds raised</b>	2,946,034	5,892,069	11,784,137
	<b>Dilution</b>	10%	10%	10%
<b>100% increase in current variable 'A'</b>  302,157,366 Shares	<b>Shares issued</b>	30,215,736	30,215,736	30,215,736
	<b>Funds raised</b>	3,928,046	7,856,091	15,712,183
	<b>Dilution</b>	10%	10%	10%

**Note:** This table assumes:

- No Options are exercised before the date of the issue of the Equity Securities.
- The issue of Equity Securities under the Listing Rule 7.1A Mandate consists only of Shares. If the issue of Equity Securities includes quoted Options, for the purposes of the above table, it is assumed that those quoted Options are exercised into Shares for the purposes of calculating the voting dilution effect on existing Shareholders.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Listing Rule 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2, with approval under Listing Rule 7.1 or ratified under Listing Rule 7.4.
- This table does not set out any dilution pursuant to ratification under Listing Rule 7.4.

The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

- (e) The identity of the persons to whom Shares will be issued is not yet known and will be determined on a case by case basis having regard to market conditions at the time of the proposed issue of Equity Securities and the Company's allocation policy, which involves consideration of matters including, but not limited to:

- (i) the ability of the Company to raise funds at the time of the proposed issue of Equity Securities and whether the raising of any funds under such placement could be carried out by means of an entitlement offer, or a placement and an entitlements offer;
- (ii) the dilutionary effect of the proposed issue of the Equity Securities on existing Shareholders at the time of proposed issued of Equity Securities;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).

The persons to whom Shares will be issued under the Listing Rule 7.1A Mandate have not been determined as at the date of this Notice, but will not include related parties (or their Associates) of the Company.

- (f) The Company has not previously issued or agreed to issue Equity Securities under Listing Rule 7.1A2 in the 12 months preceding the date of the Meeting.

#### **5 Resolutions 4, 5, 6 and 7 – Grant of Incentive Options to Mr Peter Charles Hawkins, Mr Matthew Vernon Hogan, Mr Barry Fehlberg and Mr Selvakumar Arunachalam, or their nominees**

The Company proposes to grant a total of 1,800,000 Incentive Options (each with an exercise price of A\$0.30 and an expiry date of 30 November 2023) to Mr Peter Charles Hawkins, Mr Matthew Vernon Hogan, Mr Barry Fehlberg and Mr Selvakumar Arunachalam (**Participating Directors**), or their nominees.

#### **Related Party Transactions Generally**

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, each of the Participating Directors is a related party of the Company.

In relation to this Resolution, the Board (excluding the relevant Participating Director of each of Resolutions 4, 5, 6 and 7) has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of Incentive Options as the issue, is considered reasonable remuneration for the purposes of section 211 of the Corporations Act.

#### **Information Requirements – Listing Rules 10.14 and 10.15**

Listing Rule 10.14 provides that the Company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- a director of the Company (Listing Rule 10.14.1);
- an Associate of a director of the Company (Listing Rule 10.14.12); or

- a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its Shareholders (Listing Rule 10.14.3),

unless it obtains the approval of its Shareholders.

The proposed grant of Incentive Options to each of Mr Hawkins, Mr Hogan, Mr Fehlberg and Mr Arunachalam, or their nominees pursuant to Resolutions 4, 5, 6 and 7 respectively falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

If each of Resolutions 4, 5, 6 and 7 are passed, the Company will grant Incentive Options to Mr Hawkins, Mr Hogan, Mr Fehlberg and Mr Arunachalam, or their nominees as noted above.

If each of Resolutions 4, 5, 6 and 7 are not passed, the Company will not grant Incentive Options to Mr Hawkins, Mr Hogan, Mr Fehlberg and Mr Arunachalam, or their nominees.

The following further information is provided to Shareholders for the purposes of Listing Rule 10.15:

- (a) the Incentive Options will be granted to Mr Hawkins, Mr Hogan, Mr Fehlberg and Mr Arunachalam, or their nominees as noted above;
- (b) Mr Hawkins, Mr Hogan, Mr Fehlberg and Mr Arunachalam are each Directors of the Company and are related parties of the Company under Listing Rule 10.14.1 by virtue of being a Director;
- (c) 1,800,000 Incentive Options will be granted;
- (d) each of Mr Hawkins, Mr Hogan, Mr Fehlberg and Mr Arunachalam are Directors of the Company and the issue the subject of Resolutions 4, 5, 6 and 7 is intended to remunerate or incentivise each of Mr Hawkins, Mr Hogan, Mr Fehlberg and Mr Arunachalam, whose current total remuneration package is as follows:

Director	Fees p.a. (A\$)	Value of Incentive Options(A\$)	Total Financial Benefit (A\$)
Mr Hawkins	\$30,000	\$47,283	\$77,283
Mr Hogan	\$175,000	\$94,565	\$269,565
Mr Fehlberg	\$30,000	\$63,044	\$93,044
Mr Arunachalam	\$175,000	\$78,804	\$253,804

- (e) no securities have been previously issued to each of the Participating Directors under the Employee Equity Incentive Plan;
- (f) the terms and conditions of the Incentive Options are set out in Annexure A to this Explanatory Memorandum;
- (g) the Incentive Options have been selected to motivate the Participating Directors to exceed expectations and grow the Company;
- (h) the Company's independent advisers valued the Incentive Options using the Black – Scholes Model method. Based on the assumptions set out on page 15 below, it is considered that the estimated average value of the Incentive Options to be granted to the Participating Directors is A\$0.158 per Incentive Option.

The Company's independent advisers have valued the Incentive Options to be granted to the Participating Directors using the Black – Scholes Model. The value of an Option calculated by the Black – Scholes Model is a function of a number of variables. The valuation of the Incentive Options has been prepared using the following assumptions:

Variable	Input
Share price	\$0.27
Exercise price	\$0.30
Risk Free Interest Rate	0.1451%
Volatility	97.99%
Time (years to expiry)	3 years

The Company's independent advisers have calculated the value of each Incentive Option based on the following assumptions:

- (i) they have based the underlying value of each Share in the Company on the ASX closing price of A\$0.27 on 14 October 2020;
- (ii) risk free rate of return – 0.1451%; and
- (iii) they used a volatility of the Share price of 97.99%.

Any change in the variables applied in the Black – Scholes calculation between the date of the valuation and the date the Incentive Options are granted would have an impact on their value.

- (i) the Incentive Options will be granted on a date which will be no later than 3 years after the date of this Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (j) the Incentive Options will be issued for \$0.0001 per Incentive Option;
- (k) the funds raised by the issue of the Incentive Options will be used for general working purposes;
- (l) a summary of the material terms of the Employee Equity Incentive Plan is set out in Annexure B;
- (m) details of any securities issued under the Employee Equity Incentive Plan will be published in the annual report of the entity relating to a period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (n) any additional persons covered by Listing Rule 10.14 who become entitled to participate in the scheme after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule; and
- (o) a voting exclusion statement applies to each of Resolutions 4, 5, 6 and 7 as set out in the Notice of Meeting.

**Directors' recommendation**

Mr Hawkins, Mr Hogan, Mr Fehlberg and Mr Arunachalam have an interest in the outcome of Resolutions 4, 5, 6 and 7 respectively and therefore believes it inappropriate to make a recommendation in relation to Resolutions 4, 5, 6 and 7 respectively.

Other than as outlined above, the Directors recommend that shareholders approve the grant of the Incentive Options to each of Mr Hawkins, Mr Hogan, Mr Fehlberg and Mr Arunachalam, or their nominees.

The Board is not aware of any other information that would reasonably be required by the Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass each of Resolutions 4, 5, 6 and 7.

**Voting**

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on the Resolutions.

## GLOSSARY

**\$** means Australian dollars.

**Accounting Standards** has the meaning given to that term in the Corporations Act.

**Annual Report** means the annual report of the Company for the year ended 30 June 2020.

**Associate** has the meaning given to that term in the Listing Rules.

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

**Auditor** means the Company's auditor from time to time (if any).

**Auditor's Report** means the report of the Auditor contained in the Annual Report for the year ended 30 June 2020.

**AWST** means western standard time as recognised in Perth, Western Australia.

**Board** means the Directors.

**Chair or Chairman** means the individual elected to chair any meeting of the Company from time to time.

**Company** means Venus Metals Corporation Limited ABN 99 123 250 582.

**Constitution** means the Company's constitution, as amended from time to time.

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

**Directors** means the directors of the Company.

**Eligible Person** has the meaning given in the Employee Equity Incentive Plan, the terms of which are set out in Annexure B.

**Equity Securities** has the meaning given to that term in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum accompanying this Notice.

**Key Management Personnel** has the meaning given to that term in the Accounting Standards.

**Incentive Option** means an option to acquire a Share the terms of which are set out in Annexure A.

**Listing Rule 7.1A Mandate** has the meaning set out on page 9.

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

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

**Notice** means this Notice of Annual General Meeting.

**Notice of Meeting** means this Notice of Annual General Meeting.

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

**Optionholder** means a holder of an Option.

**Participating Directors** has the meaning set out on page 13.

**Performance Rights** means the performance rights granted under the Employee Equity Incentive Plan, the terms of which are set out in Annexure B.

**Proxy Form** means the proxy form accompanying the Notice.

**Relevant Period** has the meaning set out on page 10.

**Remuneration Report** means the remuneration report set out in the Annual Report for the year ended 30 June 2020.

**Resolution** means a resolution contained in the Notice.

**Restricted Voter** means Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

**Shareholder** means a member of the Company from time to time.

**Shares** means fully paid ordinary shares in the capital of the Company.

**Spill Meeting** has the meaning set out on page 8.

**Spill Resolution** has the meaning set out on page 8.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

## Annexure A - Terms and conditions of the Incentive Options

The terms of the Incentive Options are as follows:

- (a) The Options have an issue price of \$0.0001 each.
- (b) Each Option entitles the holder to subscribe for one ordinary share in the Company upon the payment of A\$0.30.
- (c) The Options will lapse at 5.00pm, Western Standard Time on 30 November 2023 (**Expiry Date**).
- (d) The Options have no vesting conditions.
- (e) The Options are not transferable.
- (f) The Options will not be quoted on ASX.
- (g) There are no rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.
- (h) Optionholders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 6 business days before books closing date to exercise the vested Options.
- (i) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (j) Options shall be exercisable at any time before the Expiry Date (**Exercise Period**) by the delivery to the registered office of the Company of a notice in writing (**Notice**) stating the intention of the Optionholder to exercise all or a specified number of Options held by them accompanied by an Option Certificate and a cheque made payable to the Company for the subscription monies for the shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Optionholder to the balance of the Options held by the Optionholder.
- (k) The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
- (l) The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary Shares of the Company in all respects.
- (m) There is no right to change the exercise price of Options nor the number of underlying fully paid ordinary shares over which the Options can be exercised, if the Company completes any bonus or pro rata issue.
- (n) In lieu of paying the aggregate exercise price to purchase Shares, the Board may, in its sole and absolute discretion, permit a holder of Options to elect to receive, without payment of cash or other consideration, upon surrender of the applicable portion of exercisable Options to the Company, a number of Shares determined in accordance with the following formula (a **Cashless Exercise**):

$$A = \frac{B(C - D)}{C}$$

where:

A = the number of Shares (rounded down to the nearest whole number) to be issued to the holder of Options under the Cashless Exercise;

B = the number of Shares otherwise issuable upon the exercise of the Option or portion of the Options being exercised;

C = the market value (being the volume weighted average closing sale price of a Share sold on ASX on the last 5 trading days on which sales were recorded immediately before the relevant date) (**Market Value**) of one Share determined as of the date of delivery to the Company Secretary of the items required to exercise the Options; and

D = the exercise price.

## **Annexure B – Summary of the Employee Equity Incentive Plan**

### **1 Awards**

Under the Plan, Participants (as defined below) will be granted incentive awards (**Awards**) which may comprise:

- (a) shares, issued at a price (if any) determined by the Board in their sole and absolute discretion, subject to any vesting conditions (**Shares**); and/or
- (b) options, issued at a price (if any) determined by the Board in their sole and absolute discretion, each to subscribe for one Share on payment of an exercise price (if any) determined by the Board in their sole and absolute discretion, and subject to any vesting conditions (**Options**); and/or
- (c) performance rights, issued at a price (if any) determined by the Board in their sole and absolute discretion, each being a conditional right to subscribe for one Share on payment of an exercise price (if any) determined by the Board in their sole and absolute discretion, and subject to the satisfaction of any vesting conditions (**Performance Rights**).

### **2 Eligibility**

At the discretion of the Board, a person who is a full time or part time employee or executive director of the Company is permitted to participate in the Plan.

People eligible to participate in the Plan are called “**Eligible Employees**”. The Board may permit an Award the subject of an offer to be issued to another party nominated by an Eligible Employee (for example, the Eligible Employee’s (a) immediate family member; (b) a corporate trustee of a self-managed superannuation fund (within the meaning of the Superannuation Industry (Supervision) Act 1993) where the Eligible Employee is a director of the trustee; or (c) a company whose members are no-one other than the Eligible Employee or their immediate family members) (**Nominated Party**).

A “**Participant**” is an Eligible Employee or Nominated Party to whom an Award has been granted.

### **3 Payment for Awards**

Awards can be issued at a price (if any) determined by the Board in their sole and absolute discretion.

### **4 Limits on number of Awards granted**

Under the Plan rules, where an offer is made under the Plan in reliance on ASIC Class Order 14/1000 (or any amendment or replacement of it) the Board must, at the time of making the offer, have reasonable grounds to believe that the total number of Shares (or, in respect of Options or Performance Rights, the total number of Shares which would be issued if those Options or Performance Rights were exercised) will not exceed 5% of the total number of Shares on issue when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under the Plan or any other employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme.

This limit is in accordance with the current ASIC Class Order which provides disclosure, licensing, advertising and hawking relief for employee incentive schemes, and which the Company may seek to rely on in connection with making offers under the Plan.

### **5 Entitlements of Participants**

- (a) Notice of meeting

Unless otherwise resolved by the Board when it makes an offer, and subject to the terms of issue, a Participant is entitled to notice of a meeting of the Shareholders of the Company and may exercise (whether in person or by proxy) any voting rights attaching to any Shares registered in the Participant's name which were the subject of the offer.

(b) Dividends

The Board may determine, at the time of an offer of Shares, whether the Participant is entitled to receive any dividends declared or paid by the Company on unvested Shares (including whether any such dividends are to be held in escrow until the Shares are fully vested).

Participants who hold Options or Performance Rights are not entitled to receive any dividends declared by the Company. No adjustment will be made to the number of Performance Rights or Options granted to a Participant under the Plan if dividends or other distributions are paid on the Shares prior to their vesting or exercise.

(c) Changes in capital

Unless otherwise resolved by the Board when it makes an offer, a Participant who holds Shares has the same entitlement as any other Shareholder to participate in a bonus issue or rights offer, provided that if the Shares are unvested and/or have any restrictions on sale imposed on them, any Shares issued to a Participant under the bonus issue or rights offer will be subject to the Plan as if those shares were Shares issued under the offer made to the Participant.

Options or Performance Rights do not confer on the Participant the right to participate in new issues of Shares by the Company.

In the event of a capital reconstruction, subject to any provision in the Listing Rules, the Board may adjust any or all of the number of Shares, Options or Performance Rights issued pursuant to the offer to a Participant as the Board deems appropriate. If there is a reorganisation of capital, the rights of a Participant will be changed to the extent necessary to comply with the Listing Rules.

If the Company makes a pro rata issue (except a bonus issue) of Shares to Shareholders the exercise price of Options and Performance Rights will be reduced in accordance with the Listing Rules.

If the Company makes a bonus issue of Shares to Shareholders the number of underlying Shares over which the Option or Performance Right is exercisable will be increased by the number of Shares that would have been received if the relevant Option or Performance Right had been exercised before the record date for the bonus issue. No adjustment will be made to the exercise price.

If a resolution for a voluntary winding up is proposed, the Board may give notice to Participants providing a period to exercise Options or Performance Rights, subject to the relevant vesting conditions.

## **6 Dealing, vesting and exercise**

(a) Dealing

Participants must not dispose of, grant (or purport to grant) any security interest in or over, or otherwise deal with (or purport to dispose or deal with) an Award unless:

- (i) it is in compliance with the terms of the Share offer and any Share vesting conditions;
- (ii) in respect of Options and Performance Rights, the prior consent of the Board is obtained (which consent may impose such terms and conditions on such assignment, transfer, novation, encumbrance or disposal as the Board sees fit in its sole and absolute discretion) or such assignment or transfer occurs by force of law upon the death of a Participant to the Participant's legal personal representative.

While the Shares are subject to any restrictions, the Board may do such things it considers necessary and appropriate to enforce the restrictions, including but not limited to imposing a holding lock on the Shares during the relevant restriction period.

(b) Vesting

Awards only vest if the applicable vesting conditions are satisfied, waived by the Board or are deemed to have been satisfied under the Plan. The vesting conditions are determined prior to the granting of such Awards by the Company.

(c) Exercise

Vested Options and Performance Rights can only be exercised during the exercise period specified in the invitation to participate in the Plan.

The exercise price per Share in respect of an Option or Performance Right granted pursuant to the Plan will be determined by the Board. Upon exercise, one Share in the Company will be issued to the Participant for each exercised Option or converted Performance Right.

Options and Performance Rights will expire on the date that is two years after the date of issue, or such other period determined by the Board or the Plan.

## 7 Cashless Exercise

In lieu of paying the aggregate exercise price to purchase Shares, the Board may, in its sole and absolute discretion, permit a Participant to elect to receive, without payment of cash or other consideration, upon surrender of the applicable portion of exercisable Options or Performance Rights to the Company, a number of Shares determined in accordance with the following formula (a **Cashless Exercise**):

$$A = \frac{B (C - D)}{C}$$

where:

A = the number of Shares (rounded down to the nearest whole number) to be issued to the Participant under the Cashless Exercise;

B = the number of Shares otherwise issuable upon the exercise of the Option or Performance Right (as applicable) or portion of the Option or Performance Right (as applicable) being exercised;

C = the market value (being the volume weighted average closing sale price of a Share sold on ASX on the last 5 trading days on which sales were recorded immediately before the relevant date) (**Market Value**) of one Share determined as of the date of delivery to the Company Secretary of the items required to exercise the Options or Performance Rights; and

D = the exercise price.

**For example only:** If a Participant holds 50 Options capable of exercise, each with an exercise price of \$1.00 and they elect to exercise all of their Options by paying the exercise price, they would pay \$50 and receive 50 Shares. However, if the Participant elects their rights under the Cashless Exercise, and the Market Value of one Share prior to exercise is \$1.50, the Participant will pay no cash and receive 16 Shares (being  $50(\$1.50 - \$1.00)/\$1.50 = 16.67$ , rounded down to 16 Shares).

## 8 Loan and security

The Company or any of its subsidiaries may agree to assist a Participant to fund the exercise price to purchase Shares in such manner as the Board may determine, and the Company (or its subsidiary) may take security over the purchased Shares in connection with such assistance. Any such loan will be subject to:

- (i) the loan being a limited recourse loan;
- (ii) unless otherwise agreed by the Board in its sole discretion, be made solely to the Participant and in the name of the Participant;
- (iii) the Participant complying with the requirements relating to the loan set out in an offer document, or any other relevant documentation issued by the Company in respect of the offer, including entering into a loan agreement evidencing the loan with the Company; and
- (iv) the Company or its subsidiary complying with the requirements of the Corporations Act in relation to financial assistance.

## 9 Lapse of Awards

if an Eligible Employee who is a Participant or has nominated a Nominated Party to receive Awards ceases to be an employee for any reason:

- (a) unvested Shares will be forfeited;
- (b) unvested Options and Performance Rights will lapse;
- (c) vested Options and Performance Rights that have not been exercised will lapse on the date of cessation of employment or office,

unless the Board determines different treatment is warranted (subject to compliance with the Listing Rules and the Corporations Act).

## 10 Forfeiture of Shares

Unvested Shares will be forfeited on the earlier of:

- (a) the Board determining any applicable vesting condition has not been, or is not capable of being, satisfied, reached or met;
- (b) the Shares being forfeited under the Plan provisions dealing with cessation of employment, change of control, breach, fraud or misconduct; or
- (c) unless the Board determines otherwise, the Participant purporting to deal with the Shares in breach of the vesting conditions and the Plan or enter into an arrangement to affect their economic exposure to unvested Shares where restricted by applicable law.

The Company must:

- (a) sell forfeited Shares in the ordinary course of trading on ASX;
- (b) buy back and cancel the forfeited Shares; or
- (c) deal with the forfeited Shares in any other manner determined by the Board from time to time.

No consideration or compensation is payable to a Participant for or in relation to the forfeiture of Shares under the Plan.

## 11 Breach, fraud or misconduct

If the Board determines that a Participant has:

- (a) been dismissed or removed where a Group Company was entitled to do so without notice;
- (b) been indicted for an offence under the Corporations Act;
- (c) had civil judgement entered against them;
- (d) committed fraud, defalcation or gross misconduct; or
- (e) materially breaches their duties or obligations,

in connection with a Group Company, or has done an act which brings a Group Company into disrepute, the Board may determine that:

- (a) unvested Shares will be forfeited;
- (b) unvested Options and Performance Rights will lapse.

## 12 Change of control events

On the occurrence of a change of control event (as defined in the Plan, which includes an unconditional takeover offer, a court approved scheme of arrangement, a merger resulting in the current Shareholders being entitled to 50% or less of the shares of the merged entity, a Group Company agreeing to sell a majority of its business or assets or a determination of the Board that control of the Company has or is likely to change), the Board may in its sole and absolute discretion determine how unvested Awards will be treated, including but not limited to:

- (a) determining that all or a portion of unvested Awards will vest; and/or
- (b) reducing or waiving vesting conditions.

**13 Amendments to terms of exercise or the Plan**

The Board may vary the terms of exercise of Options or Performance Rights, and may reduce or waive vesting conditions. However, no variation to the terms of exercise of an Option or Performance Right will be made without the consent of the Participant if it would have a material prejudicial effect on them, unless introduced primarily to comply with the law, to correct manifest error or to enable regulatory compliance.

The Board may amend the terms of the Plan, provided that rights or entitlements granted before the amendment shall not be reduced or adversely affected without the prior written approval of the affected Participant.

# Proxy Voting Form

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

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## [HolderNumber]

Holder Number:  
19999999999

Your proxy voting instruction must be received by **10.00am (WST) on Tuesday, 24 November 2020**, 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 KMP.

### 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 are entitled to cast 2 or more votes at the meeting. 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 the original or 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 and the requirements of section 2500 of the Corporations Act. 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 dispatched 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:

#### Online:

Use your computer or smartphone to appoint a proxy at

<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

**Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this 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](mailto:meetings@automicgroup.com.au)

#### BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

**WEBCHAT:** <https://automicgroup.com.au/>

**PHONE:** 1300 288 664 (Within Australia)  
+61 2 9698 5414 (Overseas)

