



AJ LUCAS GROUP LIMITED
(ABN 12 060 309 104)
(Company)

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting (**AGM** or **Meeting**) of the Company is to be held as set out below:

DETAILS OF MEETING

Date: Thursday, 10 November 2022.
Time: 9:00 am (Brisbane time).
Registration for attendance will be available from 8:30am (Brisbane time) on the day.

Location: The Sebel Brisbane
95 Charlotte St,
Brisbane QLD 4000

BUSINESS OF THE MEETING

Financial statements and reports

To receive and consider the Financial Report of the Company and its controlled entities, and the Directors' Report and the Auditor's Report for the year ended 30 June 2022.

Shareholders can access a copy of the reports from the Company's website www.lucas.com.au. Please note that there is no vote on this item.

Resolution 1: Remuneration report

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

"That the Remuneration Report, which forms part of the Directors' Report of the Company for the financial year ended 30 June 2022, be adopted."

The vote on **Resolution 1** is advisory only and does not bind the directors or the Company.

Resolution 2: Election of director

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

"That Mr Austen Perrin be re-elected as a Director of the Company".

Resolution 3: Amendments to Constitution of the Company

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

"That, for the purpose of Section 136(2) of the Corporations Act and for all other purposes, approval is given to amend the Constitution of the Company with immediate effect from the close of the Meeting, to adopt the changes as set out in the document made available at www.lucas.com.au and as described in the Explanatory Statement."

Resolution 4: Renewal of proportional takeover bid provisions in the Constitution

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

"That, for the purposes of sections 648G and 136(2) of the Corporations Act and for all other purposes, the Company's Constitution be modified such that the proportional takeover bid provisions contained in Clause 6.15 of the Company's Constitution be renewed for a further period of three years commencing from the date of this Meeting."

Resolution 5: Ratification of prior issue of Placement Shares

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

"That pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 179,442,995 ordinary shares in the Company pursuant to the institutional placement announced by the Company to ASX on 29 September 2022 as set out in the Explanatory Statement."

Resolution 6: Approval of additional issuance capacity

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

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue up to that number of equity securities equal to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise as set out in the Explanatory Statement."

By Order of the Board

Marcin Swierkowski
Company Secretary

Date: 7 October 2022

EXPLANATORY NOTES AND INSTRUCTIONS

EXPLANATORY NOTES AND INSTRUCTIONS

The explanatory notes and instructions form part of this notice of meeting and should be read in conjunction with this notice. They provide additional information on the matters to be considered, as well as more details on how to participate and vote (including how to vote by proxy) at the meeting,

PARTICIPATING AND VOTING INSTRUCTIONS

Members can vote in one of two ways

1. By attending the AGM and voting in person or by attorney or, in the case of corporate members, by corporate representative; or
2. By appointing a proxy to attend the AGM and vote on their behalf by:
 - Using the proxy form enclosed with this Notice of AGM; or
 - Recording their proxy voting instructions on the internet at www.investorvote.com.au. To access this facility, members will need their holder identification number (HIN) or security holder reference number (SRN) and postcode which are printed on the proxy form enclosed with this Notice of AGM.

Voting in person or by Attorney

Members are asked to arrive at the venue from 8.30am (Brisbane time) to allow for registration for the AGM.

To help facilitate registration, if you have not returned the proxy form enclosed with this Notice of AGM prior to the Meeting, please bring it with you. An individual attending the AGM as corporate representative must present satisfactory evidence of his or her appointment to attend on the company's behalf, unless previously lodged with the Company or the Company's Share Registry (the **Share Registry**). Attorneys should bring with them original or certified copies of the Power of Attorney under which they have been authorised to attend and vote at the AGM, unless previously lodged with the Company or the Share Registry.

Voting by Proxy

- A member entitled to attend and vote is entitled to appoint a proxy or, if the member is entitled to cast two or more votes at the meeting, appoint not more than two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Each proxy will have the right to vote and to speak at the AGM.
- Where a member appoints two proxies or attorneys to vote at the AGM and the authority of one is not conditional on the other failing to attend or vote, the following rules apply:
 - the appointment is of no effect and the proxy or attorney may not vote unless each proxy or attorney, as the case may be, is appointed to represent a specified proportion of the member's voting rights;
 - on a show of hands, neither proxy or attorney may vote; and
 - on a poll, each proxy or attorney may only exercise the voting rights the proxy or attorney represents.
- A proxy, attorney or representative may be a member of the Company but does not have to be a member.

- A proxy form appointing a proxy or a document appointing an attorney may direct the manner in which the proxy or attorney is to vote in respect of a particular resolution and, where the form or document so provides, the proxy or attorney is not entitled to vote on the proposed resolution except as directed in the form or document.
- Members who complete and return their proxy form but do not nominate the identity of the proxy will be taken to have appointed the Chairman 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 AGM, the Chairman of the Meeting will act in place of the nominated proxy. In each case, the Chairman of the Meeting will vote in accordance with any voting directions specified by the member in the proxy form or, where the member does not specify any voting instruction in the proxy form for an item of business, in accordance with the voting intentions of the Chairman of the Meeting in respect of undirected proxies set out below.
- If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on each resolution by marking either "For", "Against" or "Abstain" on the proxy form for each of those items of business.

Undirected Proxies

- If a member entitled to vote appoints the Chairman of the Meeting as its proxy and the member does not direct the Chairman of the Meeting how to vote on Resolution 1, the member may authorise the Chairman of the meeting in respect of that item to exercise the proxy notwithstanding that resolution is connected directly or indirectly with the remuneration of a member of the Company's key management personnel. Further details are contained on the proxy form distributed with the Notice of AGM.
- Where the Chairman of the Meeting is appointed as proxy for a member entitled to vote, the Chairman of the meeting will (where authorised) vote all undirected proxies IN FAVOUR of all the proposed resolutions to be considered at the AGM. Accordingly, if you appoint the Chairman of the Meeting as your proxy and wish to vote differently to how the Chairman of the Meeting intends to vote on any of the resolutions, you must mark "For", "Against" or "Abstain" on the proxy form in relation to the relevant item of business.

Lodgement of Proxy Forms

The proxy's appointment and, if applicable, the authority appointing an attorney, must be sent by post or fax to the Company's registered office or to the address or fax number of the Company's Registry, set out below:

- By mail** to: Share Registry – Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne, VIC 3001 Australia;
- By facsimile** to: 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia);
- By mail** to: The Company's office at PO Box 538, North Sydney NSW 2059;
- Vote online:** Shareholders can also cast their votes online at www.investorvote.com.au and follow the prompts. To use this facility, you will need your holder number (SRN or HIN), postcode and control number as shown on the Proxy Form. You will have been taken to have signed the Proxy Form if you lodge it in accordance with the instructions on the website; and
- Custodian voting:** for Intermediary Online subscribers only (custodians), please visit www.intermediaryonline.com to submit your voting intentions,

so that they are received by **no later than 9.00am (Brisbane time) on Tuesday, 8 November 2022.**

Proxy forms or proxy voting instructions received after this time will be invalid.

The proxy form must be signed by the member or the member'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 Share Registry at either the postal addresses listed above or by fax before 10.00am (Sydney time) on Tuesday, 08 November 2022. If faxed, the power of attorney must be certified.

Entitlement to Vote

The Board has determined that, for the purposes of the AGM (including voting at the AGM), members are those persons who are registered holders of fully paid ordinary shares (**Shares**) in the Company (**Shareholders**) at 7:00pm (Brisbane time) on Tuesday, 8 November 2022. Members entitled to vote are referred to the '**Voting exclusion**' note in relation to Resolution 1 for the adoption of the Remuneration Report and in the '**Voting exclusion**' note in relation to Resolution 5 for the ratification of the issue of Placement Shares.

Conduct of the Meeting

The Company is committed to ensuring that its shareholder meetings are conducted in a manner which provides those shareholders (or their proxy holders) who attend the meeting with a reasonable opportunity to participate in the business of the meeting in an orderly fashion and to ask questions about and comment on matters relevant to the business of the meeting or about the Company generally. The Company will not allow conduct at any shareholder meeting which is discourteous to those who are present at the meeting, or which in any way disrupts or interferes with the proper conduct of the meeting. The Chairman of the Meeting will exercise his powers as the Chairman to ensure that the meeting is conducted in an orderly fashion, in the interests of all attending shareholders.

Voting on all items of business at the AGM will be conducted by poll and details will be provided at the Meeting.

Voting exclusion on Resolution 1

As required by the *Corporations Act 2001* (**Corporations Act**), no member of the Company's key management personnel (**KMP**), details of whose remuneration are included in the Remuneration Report, or a closely related party of any KMP, may vote in any capacity (e.g. as a shareholder, proxy or corporate representative) on Resolution 1 unless the person votes as a proxy appointed in writing that specifies how the person is to vote on the proposed resolution.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. Members of KMP include the Company's Directors and certain senior executives.

The prohibition in the Corporations Act on members of KMP or a closely related party of any KMP voting does not apply to the Chairman of the Meeting as proxy for a member entitled to vote where the proxy appointment expressly authorises the Chairman of the Meeting to vote in that capacity on Resolution 1.

If a member of KMP or a closely related party of any KMP (or any person acting on behalf of any such person) purports to cast a vote that will be disregarded by the Company (as indicated above), that person may be liable for an offence for breach of voting restrictions that apply under the Corporations Act.

Voting exclusion on Resolution 5

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of Resolution 5 by or on behalf of a person who participated in the issue of Placement Shares, or any of their respective associates.

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 directions given to the proxy or attorney to vote on the resolution in that way; or

- b) the Chairman 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 Chairman to vote on the resolution as the Chairman 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;
 - ii. the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

EXPLANATORY NOTES

Financial Statements and Reports

The Corporations Act requires the Financial Report (which includes the Financial Statements and Directors' Declaration), the Directors' Report and the Auditor's Report to be laid before the AGM.

There is no requirement either in the Corporations Act or in the Company's Constitution for members to approve the Financial Report, the Directors' Report or the Auditor's Report.

Members will have a reasonable opportunity at the meeting to ask questions and make comments on these Reports and on the business and operations of the Company. Members will also be given a reasonable opportunity to ask the auditor questions about the Auditor's Report and the conduct of the audit of the Financial Report.

Resolution 1: Adoption of the Remuneration Report

The Directors' Report for the year ended 30 June 2022 contains a Remuneration Report which sets out the policy for the remuneration of the directors and specified executives of the Company and its consolidated group. The Remuneration Report is set out on pages 23 to 27 of the Company's 2022 Annual Report.

In accordance with section 250R(2) of the Corporations Act, a resolution that the Remuneration Report be adopted must be put to vote at the Company's AGM. The vote on Resolution 1 is advisory only and does not bind the directors or the Company.

Members attending the meeting will be given a reasonable opportunity to ask questions about, and make comments on, the Remuneration Report. The 2022 Annual Report is available on the Company's website, www.lucas.com.au.

The Directors unanimously recommends that Shareholders vote in favour of the resolution.

Resolution 2: Re-election of Austen Perrin as a Director

Mr Perrin has been a Director of the Company since January 2020. He has been a member of the Audit and Risk Committee since 31 August 2020 and Chairman of that Committee since 15 November 2020 and is a member of the Human Resources and Nominations Committee since 1 January 2020.

Under the Company's Constitution, at the AGM one third of the Directors (excluding the Managing Director), or the nearest whole number thereto, must retire from office. In accordance with this requirement Mr Perrin retires from the Board and offers himself for re-election.

Mr Perrin is an experienced corporate executive and company director with more than 35 years of experience in corporate and financial roles. He was the Group's Chief Financial Officer from December 2014 until August 2020, and prior to joining the Company, he was the Chief Financial Officer for Whitehaven Coal Limited for nearly 6 years. He also previously held the group CFO roles with Asciano

Limited and Pacific National Limited and was an executive director and divisional CFO of the listed Toll NZ Limited as well as holding various senior finance roles within the Toll Holdings group and TNT. Prior to that he started his career with KPMG.

Mr Perrin holds a Bachelor of Economics and is a Chartered Accountant in Australia and New Zealand. He is also currently a Non-executive Director of Adromeda Limited and (ASX AND) and Round Oak Minerals Pty Ltd.

The Directors (other than Mr Perrin) unanimously recommend that Shareholders vote in favour of the re-election of Mr Perrin as a Director.

Resolution 3: Amendments to Constitution of the Company

Shareholder approval is being sought for the adoption of a number of changes to the existing constitution of the Company. If the resolution to approve the adoption of amendments proposed is passed, the new Constitution will be effective from the close of the AGM.

Section 136(2) of the Corporation Act provides that the Company may amend its constitution by special resolution. As such this resolution will only be passed if at least 75% of the votes cast by shareholders entitled to vote on this resolution are cast in favour of Resolution 3.

The current Constitution has been in place since being approved at the 29 November 2018 Annual General Meeting. A review of the current Constitution has been conducted, as a result of which the Board considers that the Constitution should be brought into line with current market practice for ASX listed companies, including announced changes intended to the CHES replacement system and to allow Company meetings to be held virtually.

Shareholders are advised to familiarise themselves with the changes proposed, which are detailed in a marked-up version of the Constitution which is available for review at the Company's website www.lucas.com.au. A copy of the amended constitution can also be sent to Shareholders upon request to the Company Secretary by calling 07 3363 7333.

The table below sets out a summary of the key material changes and the provisions of the Company's constitution which are proposed to be amended by Resolution 3. There are also proposed changes which are administrative in nature or ancillary to the points above which are intended to provide efficiency to the governance of the Company.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

Amendment proposed by Resolution 4	Amended rule of constitution
<p>In 2021, ASX informed issuers of proposed changes for the replacement of CHES with a new system that uses distributed ledger technology (CHES Replacement). CHES Replacement is an ASX project to modernise and update CHES which is currently scheduled to launch in April 2023. CHES currently records holder details in an unstructured format and as a result of the practical 180-character limit, most constitutions (including the Company's Constitution) currently limit the number of registered joint holders to three joint holders for each security. After CHES Replacement, the system will have the functionality to record up to four joint holders for each security.</p> <p>Clause 2.3(d) has been updated accordingly to increase the number of permitted joint holders of Shares from 3 to 4.</p>	<p>Clause 2.3</p>
<p>The below changes are proposed to be made to align with recent changes to the Corporations Act (made under the <i>Corporations</i></p>	<p>Clauses 12,13 and 27</p>

Amendment proposed by Resolution 4	Amended rule of constitution
<p><i>Amendment (Meetings and Documents) Act 2022 (Cth)</i> to allow for virtual meetings and electronic signing and dispatch of documents.</p> <ul style="list-style-type: none"> In accordance with Section 249R of the Corporations Act, updates to Clause 12.5 to allow for the Company to hold a general meeting of shareholders: (a) at one or more physical venues; (b) at one or more physical venues and using virtual meeting technology; or (c) using virtual meeting technology only. In accordance with Section 249T of the Corporations Act, updates to Clause 13.1(c) to include the process for when a meeting using virtual meeting technology is adjourned. In accordance with Section 110D of the Corporation Act, updates to Clause 27 to permit notices, and for notification of a notice's availability, to be sent electronically. 	
<p>In accordance with Section 248A of the Corporations Act, updates to Clause 16.10 to align with wording of the Corporations Act and to remove references to antiquated technology.</p>	<p>Clause 16.10</p>
<p>New provisions are proposed to allow the Company to deal with any de minimis residual amounts with arise where the Company reinvests unclaimed dividends on behalf of a shareholder. These provisions would provide administrative assistance to the Company to avoid it being required to hold small amounts of funds on behalf of Shareholders until claimed.</p>	<p>Clause 23.9</p>

Resolution 4: Renewal of proportional takeover bid provisions in the Constitution

Background

The Corporations Act permits a company to include rules in its Constitution which enable the company to refuse to register a transfer of shares resulting from a proportional takeover bid unless shareholders in the bid class in a meeting approve the takeover bid. Clause 6.15 of the Company's Constitution currently contains provisions dealing with proportional takeover bids for Company shares. Under the Corporations Act, these provisions must be renewed every three years, or they will cease to have effect. If renewed, the proposed proportional takeover provisions will be in exactly the same terms as the existing provisions and will have effect for a three-year period commencing on the date of this Meeting.

Proportional takeover bids

In a proportional takeover bid, the bidder offers to buy a proportion only of each shareholder's shares in the target company. This means that control of the company may pass without shareholders having the chance to sell all their shares to the bidder and the bidder may take control of the company without paying an adequate premium for gaining control. In order to address this possibility, a company may provide in its constitution that if a proportional takeover bid is made for shares in the company, shareholders must vote on whether to reject the offer or allow the proportional bid to proceed and that decision will be binding on all the shareholders.

Effect of the provisions to be renewed

If a proportional takeover bid is made, the Directors must convene a meeting of shareholders to vote on a resolution to approve the proportional bid more than 14 days before the bid period closes. The vote is decided on a simple majority. Each person who, as at the end of the day on which the first offer under the bid was made, held bid class securities is entitled to vote, but the bidder and its associates are not allowed to vote. If the resolution is rejected, the registration of any transfer of shares resulting from that proportional

takeover bid will be prohibited and the bid will be deemed to be withdrawn. If the resolution is approved (or taken to have been approved), the transfers must be registered if they comply with the Corporations Act and the Company's Constitution. If the resolution is not voted on, the bid will be taken to have been approved.

The proportional takeover approval provisions do not apply to full takeover bids.

Present acquisitions proposals

At the date of this notice, no Director is aware of a proposal by a person to acquire, or to increase, a substantial interest in the company.

Potential advantages and disadvantages for the Directors and shareholders of the Company

The Directors consider that there are no advantages or disadvantages for the Directors in renewing the proposed proportional takeover approval provisions. In particular, there is no restriction on their ability to make a recommendation on whether a proportional takeover bid should be accepted.

Potential advantages to Shareholders of the inclusion of proportional takeover provisions in the Company's Constitution include:

- shareholders have the right to determine by majority vote whether a proportional takeover bid should proceed;
- the provisions may assist shareholders to avoid being locked in as a minority;
- increase in shareholders' bargaining power which may assist in ensuring that any proportional takeover bid is adequately priced; and
- knowing the view of the majority of shareholders assists each individual shareholder in assessing the likely outcome of the proportional takeover bid and whether to accept or reject an offer under the bid.

The potential disadvantages to Shareholders of the inclusion of proportional takeover provisions in the Company's Constitution include:

- the likelihood of a proportional takeover bid being successful may be reduced and the provisions may discourage the making of a proportional takeover bids in respect of the Company;
- the provisions may reduce the opportunities which shareholders may have to sell all or some of their shares at a premium to persons seeking control of the Company and may reduce any takeover speculation element in the Company's share price; and
- the provisions may be considered an additional restriction on the ability of individual shareholders to deal freely in their shares.

Review of advantages and disadvantages of the proportional takeover approval provisions

While the proportional takeover approval provisions have been in effect, there have been no full or proportional takeover bids for the Company. Therefore, there has been no example against which to review the advantages or disadvantages of the provisions for the Directors and the shareholders, respectively, during this period.

The Directors consider that the potential advantages for shareholders of the proportional takeover approval provisions outweigh the potential disadvantages. In particular, the Directors consider that shareholders should have the opportunity to vote on a proposed proportional takeover bid. In the absence of Clause 6.15 (as renewed), a proportional takeover bid for the Company may enable effective control of the Company to be acquired by a party who has not offered to acquire 100 per cent of the Company's shares (and, therefore, has not offered to pay a 'control premium' that reflects 100 per cent ownership).

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

Resolution 5: Ratification of prior issue of Placement Shares

General

On 29 September 2022, the Company announced that it had received binding commitments for a placement to raise up to approximately \$19.7 million (**Placement**) by the issue of Shares at \$0.11 each (**Placement Shares**) to sophisticated and institutional investors.

On 6 October 2022, the Company issued 179,442,995 Placement Shares to placement participants using the Company's existing 15% placement capacity under Listing Rule 7.1.

Resolution 5 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Placement Shares.

Listing Rules 7.1 and 7.4

In summary, 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 shares it had on issue at the start of that period.

The issue of Placement Shares does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% placement capacity under listing rule 7.1. This reduces the Company's capacity to issue further equity securities without Shareholder approval under that Listing Rule for the 12-month period following the issue of the Placement Shares.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under Listing Rules 7.1.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

If Resolution 5 is passed, the issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 5 is not passed, the Company's ongoing capacity to issue or agree to issue equity securities under Listing Rule 7.1 without obtaining prior Shareholder approval will continue to be reduced to the extent of 179,442,995 equity securities for the 12 month period following the issue of those Placement Shares.

Specific information required by Listing Rule 7.5

In accordance with Listing Rule 7.5, information is provided in relation to the Placement as follows:

- (a) The Placement Shares were issued to institutional and sophisticated investors. No placement participant is a related party or a material investor of the Company. Canaccord Genuity acted as lead manager and bookrunner to the Placement. The placement participants were identified through a bookbuild process, which involved the lead manager seeking expressions of interest to participate in the capital raising from existing contacts of the Company and clients of the lead manager.
- (b) 179,442,995 Placement Shares were issued.
- (c) The Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Placement Shares were issued on 6 October 2022.

- (e) The Placement Shares were issued at \$0.11 per Share.
- (f) The proceeds from the issue of the Placement Shares have been or are intended to be used in conjunction with existing available cash at bank for:
 - (i) working capital support;
 - (ii) capital expenditure on existing or new plant and equipment; and
 - (iii) funding UK operations.
- (g) There are no other material terms to the agreement for the subscription of the Placement Shares.
- (h) A voting exclusion statement is included in the Notice of AGM.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5.

Resolution 6: Approval of Additional Issuance Capacity

General

Listing Rule 7.1 (subject to a number of exceptions) 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, an eligible entity can seek shareholder approval at its AGM, by way of a special resolution, to increase its 15% limit by an additional 10% (10% Placement Capacity).

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is, at the date of this Notice, an eligible entity.

The Company is seeking shareholder approval by way of a special resolution to have the ability to issue equity securities under the 10% Placement Capacity. The effect of the Resolution will be to allow the Directors to issue Shares under Listing Rule 7.1A during the 10% Placement Period (as described below) without using the Company's 15% placement capacity under Listing Rule 7.1. The number of Shares permitted to be issued under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below). If this Resolution is passed, the Company will be able to issue Shares up to the combined 25% limit in Listing Rules 7.1 and 7.1A without further shareholder approval.

If Shareholders do not approve this Resolution, the Company will not be able to access the 10% Placement Capacity to issue equity securities without shareholder approval and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

Description of Listing Rule 7.1A

Shareholder approval

The ability to issue equity securities under the 10% Placement Capacity is subject to shareholder approval by way of a special resolution at an annual general meeting. This means it requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

Equity securities

Any equity securities issued under the 10% Placement Capacity must be in the same class as an existing quoted class of equity securities of the Company and must be issued for cash consideration. The Company, as at the date of the Notice, has on issue only the one class of equity securities, being the fully paid ordinary Shares.

Formula for calculating 10% Placement Capacity

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12-month period after the date of the annual general meeting, a number of equity securities calculated in accordance with the following formula:

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

A is the number of shares on issue at the commencement of the “relevant period” (which, for the Company, is the 12-month period immediately preceding the date of the issue or agreement):

- (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;
- (b) plus the number of fully paid shares issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
 - (i) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - (ii) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
- (c) plus the number of fully paid shares issued in the relevant period under an agreement to issue securities within 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 the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
- (d) plus the number of fully paid shares issued in the relevant period with approval of holders of shares under Listing Rules 7.1 or 7.4;
- (e) plus the number of partly paid shares that became fully paid in the relevant period;
- (f) less the number of fully paid shares cancelled in the relevant period.

Note that A 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 has not been subsequently approved by shareholders under Listing Rule 7.4.

Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1. The actual number of equity securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (set out above).

Information required by Listing Rule 7.3A

The following information is provided to Shareholders for the purposes of Listing Rule 7.3A.

Approval period

An approval under Listing Rule 7.1A commences on the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following:

- (a) the date which is 12 months after the date of the annual general meeting at which the approval is obtained;
- (b) the time and date of the entity’s next annual general meeting; and
- (c) the time and date on which shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

being the 10% Placement Period.

Minimum price

The issue price per equity security will not be less than 75% of the VWAP of the equity securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (a) 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; and
- (b) if the equity securities are not issued within 10 trading days of the date in paragraph (a), the date on which the equity securities are issued.

Use of funds

Any equity securities issued under Listing Rule 7.1A.2 must be issued for cash consideration. Accordingly, every issue of equity securities under Listing Rule 7.1A.2 will have an accompanying proposed use of funds at the time of issue. If Shareholders approved this item and the Company did raise funds from the issue of equity securities under Listing Rule 7.1A, based on the Company’s existing plans, the Company considers that the funds may be used for the following purposes:

- (a) to further develop the Company’s business and operations, in particular in the UK; and
- (b) continued expenditure on the Company’s current business and/or general working capital.

Risk of economic and voting dilution to existing Shareholders

If this Resolution is approved, and the Company issues equity securities under the 10% Placement Capacity, existing Shareholders’ economic and voting power in the Company will be diluted. There is a risk that:

- (a) the market price for the Company’s equity securities in that class may be significantly lower on the issue date than on the date of the approval at the annual general meeting; and
- (b) the equity securities may be issued at a price that is at a discount (as described above) to the market price for the Company’s equity securities on the issue date,

which may impact the amount of funds raised by the Company by the issue of equity securities.

The table below shows the potential dilution of existing Shareholders on the basis of 3 different assumed issue prices and values for the variable “A” in the formula in rule 7.1A.2:

Variable “A” in Listing Rule 7.1A.2	Potential Dilution and Funds Raised		
		\$0.078 50% decrease in Issue Price	\$0.155 Issue Price

Current Variable A 1,196,286,635 Shares	10% voting dilution		119,628,664 Shares	
	Funds raised	\$9,331,036	\$18,542,443	\$37,084,886
50% increase in current Variable A 1,794,429,952 Shares	10% voting dilution		179,442,995 Shares	
	Funds raised	\$13,996,554	\$27,813,664	\$55,627,328
100% increase in current Variable A 2,392,573,270	10% voting dilution		239,257,327 Shares	
	Funds raised	\$18,662,072	\$37,084,886	\$74,169,771

Notes: The table above has been prepared on the following assumptions:

- (a) The current Variable A is based on the total number of fully paid ordinary shares on issue as at 27 September 2022. The number of Shares on issue could increase as a result of the issue of Shares that do not require Shareholder approval or that are issued with Shareholder approval under Listing Rule 7.1
- (b) The current Issue Price is \$0.155, being the closing price of the Shares on ASX on 27 September 2022.
- (c) The Company issues the maximum number of equity securities available under the 10% Placement Capacity.
- (d) No Options (including any Options issued under the 10% Placement Capacity) are exercised into Shares before the date of the issue of the equity securities.
- (e) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (f) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the AGM.
- (g) 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.
- (h) The issue of equity securities under the 10% Placement Capacity consists only of Shares. If the issue of equity securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

Allocation policy

The recipients of any equity securities issued under the 10% Placement Capacity have not yet been determined. The Company's allocation policy and the identity of the recipients of equity securities under Listing Rule 7.1A will depend on a number of factors, including:

- (a) the Company's intentions in relation to the possible issue of equity securities (for cash consideration) during the 10% Placement Period;
- (b) the structure and timeframe of the capital raising opportunities available to the Company and any alternative methods for raising funds that are available to the Company;
- (c) the potential effect on the control of the Company;
- (d) the Company's financial position and the likely future capital requirements; and
- (e) advice from the Company's corporate or financial advisors.

As of the date of this Notice, no specific intention to issue equity securities in relation to any parties, investors or existing Shareholders have been formed. In addition, no intentions have been formed in relation to the possible number of issues, or the time frame in which the issues could be made. Subject to the requirements of the Listing Rules and the Corporations Act, the Board reserves the right to determine at the time of any issue of equity securities under Listing Rule 7.1A, the allocation policy that the Company will adopt for that issue.

Offers made under Listing Rule 7.1A may be made to parties (excluding any related parties) including professional and sophisticated investors, existing Shareholders, clients of Australian Financial Service Licence holders and/or their nominees, or any other person to whom the Company is able to make an offer of equity securities.

Issue or agreement to issue equity securities under Listing Rule 7.1A in the 12 months prior to AGM

The Company has not issued or agreed to issue equity securities under Listing Rule 7.1A.2 in the 12 months preceding the AGM.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6.

As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of equity securities under Listing Rule 7.1A. Therefore no existing Shareholders will be excluded from voting on this item.



AJ Lucas Group Limited

ABN 12 060 309 104

Need assistance?



Phone:

1300 556 161 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **9:00am (Brisbane time) on Tuesday, 8 November 2022.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

Joint Holding: Where the holding is in more than one name, all of the securityholders 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 form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

Control Number: 181587

SRN/HIN:

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of AJ Lucas Group Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of AJ Lucas Group Limited to be held at The Sebel Brisbane, 95 Charlotte St, Brisbane, QLD 4000 on Thursday, 10 November 2022 at 9:00am (Brisbane time) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention in step 2) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Mr Austen Perrin as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Amendments to Constitution of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Renewal of proportional takeover bid provisions in the Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of prior issue of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of additional issuance capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address
 By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically