

**VYSARN**



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VYSARN LIMITED  
ACN 124 212 175

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**NOTICE OF ANNUAL GENERAL MEETING**

**Date of Meeting**

Thursday, 24 November 2022

**Time of Meeting**

4:00pm (WST)

**Place of Meeting**

Wardroom  
South of Perth Yacht Club  
Canning Beach Road  
Applecross, Western Australia, 6005

*The Notice and the accompanying Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

*Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 6144 9777*

## NOTICE OF ANNUAL GENERAL MEETING

**Notice is hereby given** that the Annual General Meeting of Vysarn Limited (**Company**) will be held at Wardroom, South of Perth Yacht Club, Canning Beach Road, Applecross, Western Australia, 6005 on Thursday, 24 November 2022 at 4:00pm (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form, form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders on Tuesday, 22 November 2022 at 4:00pm (WST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

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## AGENDA

### 1. Annual Report

To receive and consider the Annual Report of the Company for the financial year ended 30 June 2022, which includes the Financial Report, the Directors' Report and the Auditor's Report.

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### 2. Resolution 1 – Remuneration Report

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

*"That the Remuneration Report be adopted by Shareholders on the terms and conditions in the Explanatory Memorandum."*

#### Voting Exclusion

In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

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

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3. **Resolution 2 – Re-Election of Director – Mr Sheldon Burt**

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

*"That Mr Sheldon Burt, who retires by rotation in accordance with Article 6.14 of the Constitution and for all other purposes, and, being eligible and offering himself for re-election, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."*

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4. **Resolution 3 – Approval of 10% Placement Facility**

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

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

**Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in the proposed issue or who will obtain a material benefit as a result of the proposed issue (except a benefit solely in the capacity of a holder of ordinary securities in the entity) or an associate of that person or those persons.

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

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

*Note As at the date of this Notice, it is not known who may participate in any Equity Securities issued under Resolution 3 and the Company has not approached any Shareholder or identified a class of existing Shareholders to participate in any issue*

*of Equity Securities under the 10% Placement Capacity. Accordingly, no Shareholders are excluded from voting on Resolution 3.*

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5. **Resolution 4 – Issue of Incentive Options to Mr James Clement**

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

*"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 10,000,000 Incentive Options to Mr James Clement (or his nominees) on the terms and conditions in the Explanatory Memorandum".*

**Voting Exclusion:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr James Clement (or his nominees) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities) or as associate of that person or those persons.

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

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

In accordance with sections 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

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

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is

connected with the remuneration of a member of the Key Management Personnel.

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**6. Resolution 5 – Modification of Constitution**

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

*"That, pursuant to and in accordance with section 136 of the Corporations Act and for all other purposes, the Constitution be modified, on the terms and conditions in the Explanatory Memorandum."*

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**7. Resolution 6 – Approval of Financial Assistance**

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

*"That, pursuant to and in accordance with section 260B(2) of the Corporations Act and for all other purposes, approval is given for Pentium Test Pumping Pty Ltd ACN 605 723 975 and Project Engineering (WA) Pty Ltd ACN 009 366 974 to provide and give effect to the financial assistance on the terms and conditions as described in the Explanatory Memorandum."*

**BY ORDER OF THE BOARD**

Matthew Power  
Company Secretary  
Vysarn Limited  
Dated: 11 October 2022

## EXPLANATORY MEMORANDUM

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### 1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at **Wardroom, South of Perth Yacht Club, Canning Beach Road, Applecross, Western Australia, 6005** on **Thursday, 24 November 2022** at **4:00pm (WST)** (Meeting).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Annual Report
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 – Re-Election of Director - Mr Sheldon Burt
Section 6	Resolution 3 – Approval of 10% Placement Facility
Section 7	Resolution 4 – Issue of Incentive Options to Mr James Clement
Section 8	Resolution 5 – Modification of Constitution
Section 9	Resolution 6 – Approval of Financial Assistance
Schedule 1	Definitions
Schedule 2	Terms and Conditions of Incentive Options
Schedule 3	Summary of proposed modifications to the Constitution

A Proxy Form is enclosed with the Notice of Meeting and the Explanatory Memorandum.

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### 2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

#### 2.1 Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

## 2.2 Voting by 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. Written proof of the representative's appointment (including any authority under which it is signed) must be lodged with, or presented to the Company before the Meeting.

## 2.3 Proxies

### (a) Voting by proxy

A Proxy Form is enclosed with the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

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

### (b) Proxy vote if appointment specifies way to vote

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

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (iii) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (iv) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

(c) **Transfer of non-chair proxy to chair in certain circumstances**

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

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

**2.4 Chair's voting intentions**

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1 by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

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**3. Annual Report**

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2022.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at [www.vysarn.com.au](http://www.vysarn.com.au);
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

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

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;



- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

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

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#### 4. Resolution 1 – Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2021 annual general meeting. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2023 annual general meeting, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

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#### 5. Resolution 2 - Re-Election of Director - Mr Sheldon Burt

##### 5.1 General

Article 6.14 of the Constitution requires that one third of the Directors (excluding the Managing Director) must retire at each Annual General Meeting (or if that is not a whole number, the whole number nearest to one third, rounded down). Article 6.16 of the Constitution requires that the Directors to retire are those who have held their office as Director for the longest period since their last election or appointment to that office. In the event two or more Directors have held office for equal periods of time, the retiring Directors are to be determined by lot, unless otherwise agreed by those Directors.

Article 6.17 of the Constitution provides that a Director who retires under Article 6.13 to 6.15 (inclusive) or Article 6.23 is eligible for re-election.

Mr Burt retires by rotation in accordance with Articles 6.14 and 6.16 of the Constitution and seeks re-election in accordance with Article 6.17.

If elected, the Board does not consider Mr Burt to be an independent director due to his substantial security holding.

Resolution 2 is an ordinary resolution.

The Board (excluding Mr Burt) recommends that Shareholders vote in favour of Resolution 2.

## 5.2 Mr Sheldon Burt

Mr Burt is a drilling industry professional with over 35-years national and international experience. He started his career as a Drillers Offsider in 1986 and has held many differing roles over the years which include field based, operational, senior management, executive management and company ownership.

Mr Burt's international experience extends from South East Asia to the Middle East and West Africa. In 2004 he co-founded and was the Managing Director of SBD Drilling, a Perth based exploration drilling company with successful operations in Australia and West Africa, before selling in July 2011.

More recently Mr Burt was General Manager of Easternwell Minerals, a subsidiary of Broadspectrum (formerly Transfield Services Ltd), a position he held for 6 years.

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## 6. Resolution 3 – Approval of 10% Placement Facility

### 6.1 General

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.

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1, so a combined limit of 25%, without any further Shareholder approval.

Resolution 3 seeks Shareholder approval by way of a special resolution to provide the Company the ability to issue Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 6.2(f) below). The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) below).

Resolution 3 is a special resolution and therefore 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).

If Resolution 3 is passed, the Company will be able to issue Equity Securities under Listing Rule 7.1A up to 10% of its issued capital over a 12 month period after the

annual general meeting, in addition to the Company's placement capacity under Listing Rule 7.1.

If Resolution 3 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 securities without Shareholder approval set out in Listing Rule 7.1.

Resolution 3 is a special resolution.

The Board recommends that Shareholders vote in favour of Resolution 3.

## 6.2 Listing Rule 7.1A

### (a) Is the Company an eligible entity?

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 an eligible entity as it is not included in the S&P/ASX 300 index and has a market capitalisation of approximately \$31.5 million, based on the closing price of Shares \$0.085 on 11 October 2022.

### (b) What Equity Securities can be issued?

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of the Notice, the Company has on issue one quoted class of Equity Securities, being Shares.

### (c) How many Equity Securities can be issued?

Listing Rule 7.1A.2 provides that under the approved 10% Placement Facility, the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

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

Where:

**A** is the number of Shares on issue at the commencement of the 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 7;
- (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:
  - the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or

- the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- (c) plus the number of Shares issued in the Relevant Period under an agreement to issue securities within Listing Rule 7.2 Exception 16 where:
- the agreement was entered into before the commencement of the Relevant Period; or
  - the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or 7.4;
- (d) plus the number of partly paid Shares that became fully paid in the Relevant Period; and
- (e) less the number of fully paid Shares cancelled in the Relevant Period.

*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 the Shareholders under Listing Rule 7.4.

(d) **What is the interaction with Listing Rule 7.1?**

The Company's ability to issue Equity Securities under Listing Rule 7.1A will be in addition to its 15% annual placement capacity under Listing Rule 7.1.

(e) **At what price can the Equity Securities be issued?**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph 6.2(e)(i) above, the date on which the Equity Securities are issued,

(Minimum Issue Price).

(f) **When can Equity Securities be issued?**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid from the date of Meeting and will expire on the earlier to occur of:

- (i) the date that is 12 months after the date of the Meeting at which the approval was obtained;
- (ii) the time and date of the entity's next Annual General Meeting; and
- (iii) the date of Shareholder approval of 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),

**(10% Placement Period).**

**(g) What is the effect of Resolution 3**

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

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

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the 10% Placement Facility:

**(a) Minimum issue price**

If the Company issues Equity Securities for cash consideration under the 10% Placement Facility, then the issue price will be not less than the Minimum Issue Price.

**(b) Risk of economic and voting dilution**

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' economic and voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are converted into Shares).

The below table shows:

- (i) the dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for "A" calculated in accordance with the formula in Listing Rule 7.1A.2 (see Section 6.2(c)) as at the date of the Notice (**Variable A**);
- (ii) two examples where Variable A has increased, by 50% and 100%; and
- (iii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Share on issue Variable A in Listing Rule 7.1A.2	Dilution			
	Issue price per Share	\$0.0425 50% decrease in Issue Price	\$0.0850 Issue Price	\$0.1700 100% increase in Issue Price
395,289,196 Shares Current Variable A	10% Voting Dilution	39,528,919 Shares	39,528,919 Shares	39,528,919 Shares
	Funds raised	\$1,679,979	\$3,359,958	\$6,719,916
592,933,794 Shares 50% increase in current Variable A	10% Voting Dilution	59,293,379 Shares	59,293,379 Shares	59,293,379 Shares
	Funds raised	\$2,519,969	\$5,039,937	\$10,079,874
790,578,392 Shares 100% increase in current Variable A	10% Voting Dilution	79,057,839 Shares	79,057,839 Shares	79,057,839 Shares
	Funds raised	\$3,359,958	\$6,719,916	\$13,439,833

**Notes:**

1. The table has been prepared on the following assumptions:
  - (a) the issue price is \$0.085 being the closing price of the Shares on ASX on 11 October 2022, being the latest practicable date before the date of this Notice;
  - (b) variable A is 395,289,196, comprising 395,289,196 Shares as at the date of this Meeting, assuming the Company has not issued any Shares in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 and 7.4;
  - (c) the Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
  - (d) no convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities; and
  - (e) the issue of Equity Securities under the 10% Placement Facility 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.

2. The number of Shares on issue (i.e. Variable A) may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue, scrip issued under a takeover offer or upon exercise of convertible securities) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.
3. 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%.
4. 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 Facility, based on that Shareholder's holding at the date of the Meeting.
5. 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.

Shareholders should note that there is 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 of the Meeting; 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 are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

**(c) Timing of potential issues**

Approval of the Additional 10% Placement Facility will be valid during the 10% Placement Period.

**(d) Purposes of issues under 10% Placement Facility**

In the event funds were raised under the 10% Placement Facility, the Company would likely use such funds raised for the acquisition of new assets or investments, and/or for general working capital purposes.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 upon issue of any Equity Securities.

**(e) Allocation policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities is not yet known and will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from its professional advisors, including corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.

(f) **Issues in the past 12 months**

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 25 November 2021.

In the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has not issued any Equity Securities under Listing Rule 7.1A.

(g) **Voting exclusion statement**

A voting exclusion statement has not been included in the Notice because as at the date of this Notice, the Company has not approached any particular investor to participate in an issue of Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

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**7. Resolution 4 – Issue of Incentive Options to Mr James Clement**

**7.1 General**

Resolution 4 seeks Shareholder approval, pursuant to Listing Rule 10.11, to enable the Company to issue 10,000,000 Options to Mr James Clement (or his nominees), as part of his long-term incentive based remuneration package with the Company (**Incentive Options**).

The material terms of the Incentive Options are as follows:

Exercise Price	Expiry Date	Vesting Conditions	Number of Incentive Options
\$0.075	5 July 2024	As set out in Schedule 2.	10,000,000

The 10,000,000 Incentive Options that are proposed to be issued to Mr Clement (or his nominees) are intended to be part of the long-term component of Mr Clement's remuneration as Managing Director and Chief Executive Officer of the Company as an effective and efficient means for the Company to appropriately incentivise the continued performance of Mr Clement and is consistent with the strategic goals and targets of the Company.



The number of proposed Incentive Options to be granted to Mr Clement, subject to Shareholder approval, has been determined by the Board based on the consideration of a number of factors including:

- (a) the critical role Mr Clement has and will continue to play in the future operations of the Company;
- (b) the previous satisfaction of all immediate strategic and performance milestones associated with existing performance rights and unlisted options granted to Mr Clement;
- (c) the remuneration paid to Managing Directors and/or Chief Executive Officers of peer ASX-listed companies; and
- (d) the desire to retain someone of the calibre of Mr Clement in the Company.

The Board considers that the retention of Mr Clement is in the best interests of Shareholders and believes that it is important for the Board to have the flexibility to offer these Incentive Options to continue to retain highly experienced and qualified Board members in a competitive market.

To ensure consistency across the Company's existing suite of incentive securities offered to its key Board members and management, the expiry date for the Incentive Options of 5 July 2024 will be aligned with the expiry date of the unlisted options already held by the Company's Chairman, Mr Hutchinson. The Incentive Options will also be subject to certain vesting conditions which will be linked to Mr Clement's existing employment with the Company continuing past 30 June 2023.

As such, the Board does not consider that there are any significant opportunity costs to the Company or foregone by the Company in issuing the Incentive Options as proposed. If the Incentive Options are not granted, the Company could pay Mr Clement additional cash remuneration. However, the Board considers it reasonable for remuneration to have a cash component and an equity component to further align Mr Clement's interests with Shareholders and maintain a better cash position for the Company.

At the date of this Notice, no formal determination or agreement has been made by the Board to issue the Incentive Options to Mr Clement. However, the Board seeks Shareholder approval to provide the Company with flexibility to issue the Incentive Options to Mr Clement as part of his remuneration arrangements with the issue date yet to be determined.

Refer to Schedule 2 for the full terms and conditions of the Incentive Options.

Resolution 4 is an ordinary resolution.

The Board (except for Mr Clement) recommends that Shareholders vote in favour of Resolution 4.

## **7.2 ASX Listing Rule 10.11**

In accordance with Listing Rule 10.11, the Company must not issue securities to a related party of the Company unless it obtains Shareholder approval. The proposed issue of 10,000,000 Incentive Options to Mr James Clement (or his nominees) falls within Listing Rule 10.11, as Mr Clement is a related party of the Company by virtue of being the Managing Director of the Company, and does not fall within any of the exceptions in Listing Rule 10.12. The Company therefore requires the approval of

Shareholders for the proposed issue of 10,000,000 Incentive Options to Mr Clement (or his nominees) pursuant to Listing Rule 10.11.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required, in accordance with Listing Rule 7.2 Exception 14.

If Resolution 4 is passed, the Company will issue 10,000,000 Incentive Options to Mr Clement (or his nominees), without using up the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 4 is not passed, the Company will not issue the 10,000,000 Incentive Options to Mr Clement (or his nominees) and may consider alternative forms of remuneration for Mr Clement in lieu of such issue.

### **7.3 Specific Information required by Listing Rule 10.13**

Listing Rule 10.13 requires that the following information be provided to Shareholders:

- (a) the Company proposes to issue 10,000,000 Incentive Options to Mr James Clement (or his nominees);
- (b) Mr Clement is the Managing Director of the Company since February 2020, and thus a related party under Listing Rule 10.11.1;
- (c) the maximum number of Incentive Options to be issued to Mr Clement (or his nominees) is 10,000,000;
- (d) the material terms of the 10,000,000 Incentive Options to be issued to Mr Clement (or his nominees) are as follows:
  - (i) 10,000,000 Incentive Options that are exercisable at \$0.075 each on or before 5 July 2024, subject to certain vesting conditions set out in Schedule 2; and
  - (ii) the Incentive Options are subject to the terms and conditions summarised in Schedule 2;
- (e) the Company will grant the 10,000,000 Incentive Options to Mr Clement (or his nominees) no later than one (1) month after the date of the Meeting;
- (f) each Incentive Option to be granted to Mr Clement (or his nominees) will be granted for nil consideration and no funds are being raised from the issue;
- (g) the 10,000,000 Incentive Options to be issued to Mr Clement (or his nominees) are being granted as part of the long-term component of Mr Clement's remuneration;
- (h) Mr Clement's current remuneration package is as follows:
  - (i) Base Salary: \$425,000 per annum inclusive of mandatory superannuation contributions;
  - (ii) Short Term Incentive: up to \$150,000 per annum, subject the achievement of specified key performance indicators; and

- (iii) Long Term Incentive: 5,000,000 performance rights, expiring on 3 February 2025 and 10,000,000 unlisted options at \$0.075 lapsing on 3 February 2023;
- (i) the 10,000,000 Incentive Options to be issued to Mr Clement (or his nominees) are not being issued under an agreement; and
- (j) a voting exclusion statement is included in the Notice for Resolution 4.

#### **7.4 Board Recommendation**

The Board (excluding Mr Clement) recommends that Shareholders vote in favour of Resolution 4.

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### **8. Resolution 5 – Modification of Constitution**

#### **8.1 General**

It is proposed that the Constitution be updated to comply with current law and enable the Company to better function in accordance with its constituent documents. The modified constitution has been notified to ASX as required under the Listing Rules.

Resolution 5 seeks Shareholder approval for the modifications of the constitution in accordance with section 136 of the Corporations Act.

A copy of the modified constitution will be sent to any Shareholder on request and will also be available for inspection at the office of the Company during normal business hours prior to the Meeting and available for inspection at the Meeting.

The modified constitution will be effective from the close of the Meeting.

Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by attorney or, in the case of a corporate Shareholder, by corporate representative).

The Chair intends to exercise all available proxies in favour of Resolution 5.

#### **8.2 Summary of proposed modifications**

Resolution 5 seeks Shareholder approval to modifications to the Constitution, as described in Schedule 3.

The proposed modifications to the Constitution are to:

- (a) allow the Company to:
  - (i) hold a wholly virtual meetings;
  - (ii) accept proxy applications submitted by electronic means; and
  - (iii) distribute notices in accordance with a Shareholder's nomination (including by electronic means) or as permitted by the Corporations Act; and
- (b) amend the restricted security constitutional requirements as detailed in ASX Guidance Note 11.

If Resolution 5 is approved, the amended Constitution will provide greater flexibility and clarity around how the Company may conduct virtual meetings in the future and distributes its notices to Shareholders and will apply with ASX requirements.

### 8.3 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 5.

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## 9. Resolution 6 – Approval of Financial Assistance

### 9.1 The Acquisitions

On 23 November 2021, the Company completed the acquisition of the entire issued share capital of Pentium Test Pumping Pty Ltd ACN 605 723 975 (previously known as Australian Groundwater Solutions Pty Ltd) (**Pentium**) pursuant to a share sale and purchase agreement (**Pentium Acquisition**). Following completion, Pentium became a wholly-owned subsidiary of the Company.

On 11 August 2022, the Company announced the proposed acquisition of the entire issued share capital of Project Engineering (WA) Pty Ltd ACN 009 366 974 (**ProEng**) pursuant to a share sale and purchase agreement, which was completed on 30 September 2022 (**ProEng Acquisition**) subject to the satisfaction of certain conditions precedent. Following completion, ProEng became a wholly owned-subsiary of the Company.

### 9.2 Background to the requirement for financial assistance

#### (a) Restrictions on companies giving financial assistance

Pursuant to section 260A(1) of the Corporations Act, a company may financially assist a person to acquire shares in the company or a holding company of the company only if:

- (i) giving the assistance does not materially prejudice:
  - (a) the interests of the company or its shareholders; or
  - (b) the company's ability to pay its creditors;
- (ii) the assistance is approved by shareholders under section 260B of the Corporations Act; or
- (iii) the assistance is exempted under section 260C of the Corporations Act.

The requirements for shareholder approval of financial assistance under section 260B of the Corporations Act are described in Section 9.2(b).

#### (b) Shareholder approval of financial assistance

Under section 260B(1) of the Corporations Act, for a company to financially assist a person to acquire shares in itself or a holding company of the company, the financial assistance must be approved by its shareholders by:

- (i) a special resolution passed at a general meeting of the company, with no votes being cast in favour of the resolution by the person acquiring the shares (or units of shares) or by their associates; or
- (ii) a resolution agreed to, at a general meeting, by all ordinary shareholders.

If, immediately after the acquisition, the company will be a subsidiary of another domestic corporation that is listed in Australia, then the financial assistance must also be approved by a special resolution passed under section 260B(2) at a general meeting of the listed entity.

### 9.3 Funding arrangements

#### (a) Overview

In connection with the Acquisitions, the Company has entered into:

- (i) a business finance agreement with Westpac Banking Corporation ABN 33 007 457 141 (**Westpac**) dated 12 January 2022, as amended from time to time, for the provision of an equipment finance facility with facility limit of \$1,500,000 (**Westpac Equipment Facility**); and
- (ii) a business finance agreement with Westpac dated 9 September 2022, as amended from time to time, for the provision of a business loan facility with a facility limit of \$2,900,000 (**Westpac Business Facility**),

(together, the **Westpac Corporate Facilities**).

The Westpac Corporate Facilities are available to Vysarn for the purposes of:

- (i) in respect of the Westpac Equipment Facility, funding the acquisition of certain goods and equipment; and
- (ii) in respect of the Westpac Banking Facility, working capital and other general corporate purposes,

and are secured by various security arrangements over some or all of the assets of the Company and its subsidiaries.

It is proposed that as part of the Westpac Corporate Facilities that security will be granted over the assets of ProEng and Pentium (**Target Guarantors**) as guarantor and security providers.

#### (b) Guarantees

It is proposed that the Target Guarantors will become parties to the Westpac Corporate Facilities as guarantors pursuant to the terms of guarantee and indemnity agreements to be entered into by each the Target Guarantors.

#### (c) Security

The Company under the Westpac Corporate Facilities has provided security over some or all of its assets to Westpac pursuant to general security agreements entered into by the Company and its subsidiaries. It is proposed that the Target Guarantors will provide security over their assets in favour of Westpac upon becoming parties to the Westpac Corporate Facilities.

#### 9.4 Financial assistance

##### (a) Accession to the Westpac Corporate Facilities

In order for the Target Guarantors to accede and have access to the benefits of the Westpac Corporate Facilities, the Target Guarantors will need to become parties to the Westpac Corporate Facilities pursuant to the terms of security documents to be entered into by the Target Guarantors (**Security Documents**).

Upon execution of the Security Documents, the Target Guarantors would (among other things) become bound by guarantees, indemnities and undertakings previously mentioned.

In addition, it is proposed that the Target Guarantees will grant security over their assets and undertakings (subject to agreed exceptions) in favour of Westpac as security for the obligations of all borrowers and guarantors under the Westpac Corporate Facilities (**Security**). The Security may take the form of a fixed and flowing charge over all assets of the relevant Target Guarantor and/or such other form as may be agreed with Westpac.

##### (b) Other support

In addition, the Target Guarantors may, or may be required to:

- (i) subordinate intercompany claims;
- (ii) transfer assets to, or assume other liabilities of, the Company or other subsidiaries or related parties of the Company;
- (iii) make available directly or indirectly their cash flows (whether through dividends, capital distributions, intercompany loans or otherwise) or other resources in order to enable the Company and the other guarantors to comply with their payment and other obligations under the Westpac Corporate Facilities;
- (iv) consent or agree to amendments to the Security Document and/or the Westpac Corporate Facilities, including amendments that make their obligations more onerous;
- (v) provide additional support which may include incurring additional obligations and/or providing additional guarantees, mortgages and/or charges on the same or different terms to the Security; and
- (vi) provide other financial assistance in connection with the Westpac Corporate Facilities including, without limitation, in connection with any refinancing of those facilities.

## **9.5 Resolution – approval under section 260B(2) of the Corporations Act**

### **(a) Financial assistance approvals**

The entry by the Target Guarantors into, and the performance by each Target Guarantor of its rights and obligations under the Westpac Corporate Facilities and the Security and the participation by the Target Guarantors in the funding arrangements and other transactions (as described above), may constitute the giving of financial assistance within the meaning of Part 2J.3 of the Corporations Act.

Pursuant to section 260B of the Corporations Act, it is proposed that by giving the Target Guarantors of the financial assistance be approved by:

- (i) a resolution agreed to by all ordinary shareholders of each Target Guarantor pursuant to section 260B(1) of the Corporations Act; and
- (ii) Resolution 6 pursuant to section 260B(2) of the Corporations Act.

## **9.6 Reasons for financial assistance**

The reason for the giving of financial assistance described above is to enable the Target Guarantors to accede and have access to the Westpac Corporate Facilities as borrowers.

## **9.7 Effects of the financial assistance**

As the Company is already liable for amounts payable under the Westpac Corporate Facilities, the giving of the financial assistance described in this Explanatory Memorandum is unlikely to have any adverse effect on the Company, except that the Target Guarantors will be restricted by the undertakings given by them under the Security Documents.

The substantive effect of the financial assistance on the Target Guarantors is that each Target Guarantor will have guaranteed all amounts payable under the Westpac Corporate Facilities and granted security for such obligations over its assets and undertaking. The operations of the Target Guarantors will also be restricted by the undertakings given by them under the Security Documents.

The Board do not currently believe that either the Company, the other original guarantors or the Target Guarantors are likely to default in their obligations under the Security Documents.

The reason for the giving of financial assistance described above is to enable the Target Guarantors to accede and have access to the facilities under those documents as borrowers.

## **9.8 Advantages of the proposed resolution**

The advantage to the Company of the proposed resolution is that the Target Guarantors will be able to accede and have access to the Westpac Corporate Facilities.

The potential advantages of the proposed resolution to the Target Guarantors include:

- (a) the directors of the Company believe that the Westpac Corporate Facilities will provide sufficient funding to enable the Company to fund the group's operations and also to finance potential future acquisitions; and
- (b) the Target Guarantors will have access to additional working capital facilities either directly by becoming a borrower under the Westpac Corporate Facilities or indirectly by greater access to funds.

The Board believes that approving the transactions contemplated by this Explanatory Memorandum is in the interests of the Company.

## **9.9 Disadvantages of the proposed resolution**

As the Company is already liable for and has provided security over its assets to secure the amounts due under the Westpac Corporate Facilities, the Board does not believe there are any material disadvantages to the Company of the proposed resolution, except that the operations of the Target Guarantors will be restricted by the undertakings given by them under the Security Documents.

The potential disadvantages of the proposed resolution for the Target Guarantors include the following:

- (a) they will become liable for the amounts due under the Security Documents;
- (b) their assets will be subject to the Security and their operations will be restricted by the representations and undertakings given by them under the Security Documents;
- (c) the Target Guarantors may default under the Security Documents;
- (d) Westpac may make a demand under the guarantees provided by the Target Guarantors requiring immediate repayment of the amounts due under the Security Documents; and
- (e) Westpac may enforce the guarantee and/or security granted by the Target Guarantors to recover the amounts due.

A demand made under the guarantees may result in the winding up of a Target Guarantor and a sale of the Target Guarantors' assets by Westpac upon an enforcement of the Security may result in a return to the Company (and ultimately the Shareholders) significantly lower than could have been achieved by the Company had those assets been sold in the ordinary course of business or had the Target Guarantors continued trading.

## **9.10 Passing Resolution 6**

Resolution 6 is set out in the Notice that accompanies this Explanatory Memorandum.

Resolution 6 will be passed if it is passed as a special resolution of the Company (if at least 75% of votes cast by Shareholders entitled to vote on the resolution vote in favour of Resolution 6).



**9.11 Board recommendation**

The Board unanimously recommends that the Shareholders vote in favour of Resolution 6 to approve the giving of the financial assistance.

**9.12 Notice to ASIC**

In accordance with section 260B(5) of the Corporations Act, copies of this Notice and this Explanatory Memorandum as sent to Shareholders were lodged with ASIC before they were sent to Shareholders.

**9.13 Other relevant information**

The Directors consider that the Explanatory Memorandum contains all information known to the Company that would be material to Shareholders in deciding how to vote on the proposed resolution other than the information which it would be unreasonable to require the Company to include because it has been previously disclosed to Shareholders.

## Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

**10% Placement Facility** has the meaning given in Section 6.

**10% Placement Period** has the meaning given in Section 6.2(f).

**\$ or A\$** means Australian Dollars.

**Acquisitions** means the Pentium Acquisition and the ProEng Acquisition.

**Annual Report** means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2022.

**Article** means an article of the Constitution.

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

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the board of Directors.

**Chair** means the person appointed to chair the Meeting of the Company convened by the Notice.

**Closely Related Party** means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Company** means Vysarn Limited (ACN 124 212 175).

**Constitution** means the constitution of the Company as at the date of the Meeting

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

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

**Directors' Report** means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Equity Security** has the same meaning as in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum which forms part of the Notice.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Incentive Option** has the meaning given in Section 7.1.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if

the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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

**Meeting** has the meaning given in the introductory paragraph of the Notice.

**Minimum Issue Price** has the meaning given in Section 6.2(e).

**Notice** means this notice of annual general meeting.

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

**Pentium** means Pentium Test Pumping Pty Ltd ACN 605 723 975.

**Pentium Acquisition** has the meaning given in Section 9.1.

**ProEng** means Project Engineering (WA) Pty Ltd ACN 009 366 974.

**ProEng Acquisition** has the meaning given in Section 9.1.

**Proxy Form** means the proxy form enclosed with the Notice.

**Relevant Period** means the 12 month period immediately preceding the date of issue or agreement.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

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

**Schedule** means a schedule to the Notice.

**Section** means a section of the Explanatory Memorandum.

**Security** has the meaning given in Section 9.4(a).

**Security Documents** has the meaning given in Section 9.4(a).

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

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

**Strike** means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

**Target Guarantors** has the meaning given in Section 9.3(a).

**Trading Day** has the meaning given in the Listing Rules.

**VWAP** means volume weighted average market price.

**WST** means Western Standard Time being the time in Perth, Western Australia.

**Westpac** means Westpac Banking Corporation ABN 33 007 457 141.

**Westpac Business Facility** has the meaning given in Section 9.3(a).

**Westpac Equipment Facility** has the meaning given in Section 9.3(a).

**Westpac Corporate Facilities** means the Westpac Business Facility and the Westpac Equipment Facility.

## Schedule 2 – Terms and Conditions of the Incentive Options

### 1. Entitlement

The Company will issue a total of 10,000,000 Class A Options (**Incentive Options**) to Mr James Clement (or his nominees).

Each Incentive Option entitles the holder (subject to these terms and conditions) to subscribe for one fully paid ordinary share (**Share**) in Vysarn Limited ACN 124 212 175 (**Company**) upon exercise of the Incentive Option.

### 2. Exercise Price

The exercise price for each Incentive Option is \$0.075 each (**Exercise Price**).

### 3. Expiry Date

Each Incentive Option will expire on the earlier of:

- (a) 2 year from the date of issue; and
- (b) 5 July 2024 (**Expiry Date**).

An Incentive Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

### 4. Vesting Conditions and Exercise Period

The Incentive Options are exercisable at any time after the occurrence of any of the following:

- (a) Mr Clement remains employed by the Company until 30 June 2024;
- (b) the Company declares its maiden dividend payment to the Shareholders;
- (c) the Company declares a capital return or other distribution in connection with its Shares to the Shareholders; and
- (d) a Change of Control Event.

and before 5.00pm (WST) on the Expiry Date (**Exercise Period**). The exercise of Incentive Options is subject at all times to the Corporations Act.

### 5. Notice of Exercise

The Incentive Options may be exercised during the Exercise Period by notice in writing to the Company (**Notice of Exercise**) and payment of the relevant Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

### 6. Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt by the Company of the Notice of Exercise and the date of receipt of the payment of the relevant Exercise Price for each Incentive Option being exercised in cleared funds (**Exercise Date**).

### 7. Cashless Exercise Facility

- (a) Subject to item 7(b), the holder may elect, instead of providing payment of the Exercise Price for the number of Incentive Options specified in a Notice of Exercise, to use a cashless exercise facility (**Cashless Exercise Facility**) and require the Company to issue to the holder that number of Shares (rounded down to the nearest whole number) as is equal in value to the difference between the total Exercise Price otherwise payable for the Incentive Options on the Incentive Options being exercised and the then market value of the Shares at the time of exercise calculated in accordance with the following formula:

$$S = O \times \frac{(MSP - EP)}{MSP}$$

Where:

S = Number of Shares to be issued on exercise of the Incentive Options

O = Number the Incentive Options being exercised

MSP = Market value of the Shares calculated using the VWAP of the Shares on ASX for the 5 Trading Days immediately prior to (and excluding) the date of the Notice of Exercise

EP = Exercise Price

- (b) If the difference between the total Exercise Price otherwise payable for the Incentive Options on the Incentive Options being exercised and the then market value of the Shares at the time of exercise (calculated in accordance with item 7(a)) is zero or negative, then the holder will not be entitled to use the Cashless Exercise Facility.

## 8. Timing of issue of the Shares on exercise

Within 15 business days after the later of the following:

- (a) receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Incentive Option being exercised; and
- (b) when excluded information in respect of the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information. If there is no such information the relevant date will be the date of receipt of the Notice of Exercise as detailed in item 7(a) above,

the Company will:

- (c) allot and issue the Shares pursuant to the exercise of the Incentive Options;
- (d) as soon as reasonably practicable and if required, give ASX a notice that complies with section 705A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of Shares does not require disclosure to investors; and
- (e) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Incentive Options.

**9. Shares issued on exercise**

The Shares issued on exercise of the Incentive Options rank equally with the then issued shares of the Company.

**10. Quotation of the Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Incentive Options.

**11. Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

**12. Participation in new issues**

There are no participation rights or entitlements inherent in the Incentive Options and holders will not be entitled to participate in new issues of capital offered to the Company's shareholders during the currency of the Incentive Options without exercising the Incentive Options.

**13. Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of an Incentive Option will be increased by the number of Shares which the holder would have received if the Incentive Options held by the holder had been exercised before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

**14. Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Incentive Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S + D)]}{N + 1}$$

O = the old Exercise Price of the Incentive Option.

E = the number of underlying Shares into which one Incentive Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 Trading Days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

15. **Unquoted**

The Company will not apply for quotation of the Incentive Options on ASX.

16. **Transferability**

Unless otherwise determined by the Board, the Incentive Options are non-transferable.

17. **Definitions**

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

**Change of Control Event** occurs when any of the following events occurs, or the Board determines that such event is likely to occur:

- (a) the Company announcing that its Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;
- (b) a Takeover Bid is announced, has become unconditional and the person making the Takeover Bid has a Relevant Interest in 50% or more of the Shares;
- (c) any person acquires a Relevant Interest in 50.1% or more of the Shares by any other means; or
- (d) any person acquires Control of the Company.

**Company** means Vysarn Limited ACN 124 212 175.

**Control** has the meaning given in section 50AA of the Corporations Act.

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

**Relevant Interest** has the meaning given in the Corporations Act.

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

**Takeover Bid** has the meaning given to that term in section 9 of the Corporations Act.



## Schedule 3 – Summary of proposed modifications to the Constitution

The proposed modifications to the Constitution, are as follows:

- (1) a new Article 2.20 is inserted after Article 2.19 as follows:

### ***Restricted Securities***

*2.20 The Company shall comply in all respects with the requirements of the Listing Rules with respect to restricted securities and the following provisions apply*

- 2.20.1 the Company must refuse to acknowledge a disposal (including registering a transfer) of restricted securities during the escrow period for those securities except as permitted by the Listing Rules or ASX;*
- 2.20.2 Members must not dispose of restricted securities during the escrow period for those securities except as permitted by the Listing Rules or ASX;*
- 2.20.3 if the restricted securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the restricted securities are to be kept on the Company's issuer sponsored sub-register and are to have a holding lock applied for the duration of the escrow period applicable to those securities;*
- 2.20.4 a holder of restricted securities will not be entitled to participate in any return of capital on those restricted securities during the escrow period applicable to those restricted securities except as permitted by the Listing Rules or ASX; and*
- 2.20.5 if a holder of restricted securities breaches a restriction deed or a provision of the constitution restricting a disposal of those restricted securities, the holder will not be entitled to any dividend or distribution or to exercise any voting rights, in respect of those restricted securities for so long as the breach continues.*

- (2) a new Article 5.18A is inserted after Article 5.17 as follows:

### ***Meeting of Members by virtual meeting***

*5.18A A meeting of Members may be held using virtual technology only and Members attending virtually are present for the purposes of determining whether a quorum is present.*

- (3) Article 5.69 is amended to read as follows:

### ***Proxies, attorneys and representatives***

*5.69 A proxy is valid if it is signed by the Member making the appointment and contains*

5.69.1 the name and address of that Member;

5.69.2 the name of the Company;

5.69.3 the name of the proxy or the name of the office of the proxy;  
and

5.69.4 the meetings of Members at which the proxy may be used; or

5.69.5 submitted by any electronic means approved by the Directors.

(4) Article 11.1 is amended to read as follows:

***Notice to Members***

11.1 The Company may give a Notice to a Member

11.1.1 in person;

11.1.2 by sending it by post to the address of the Member in the Register or the alternative address (if any) nominated by that Member;

11.1.3 by sending it to the fax number or electronic address (if any) nominated by that Member;

11.1.4 by notifying the Member by any electronic means (including providing a URL link to any document or attachment) nominated by the Member

11.1.4.1 that the Notice is available; and

11.1.4.2 how the Member may access the Notice;

11.1.5 by posting (pursuant to article 11.1.2) or facing (pursuant to article 11.1.3), a document notifying the Member

11.1.5.1 that the Notice is available; and

11.1.5.2 how the Member may access the Notice; or

11.1.6 such other means as permitted by the Corporations Act.

(5) Article 11.11, 11.12 and 11.15 are amended to read as follows:

***Time of service***

11.11 A Notice sent by post to an address within Australia is taken to be given one day after it is posted.

11.12 A Notice sent by post, air mail or air courier to an address outside Australia is taken to be given one day after it is posted.

11.15 A Notice sent to an electronic address is taken to be given on the date it is sent.

(6) Article 4.3 is amended to read as follows:

4.3 *Not used.*

(7) Article 4.9 is amended to read as follows:

4.9 *Not used.*

(8) Article 11.11.1, 11.11.2, 11.12.1, 11.12.2 and 11.13 are amended to read as follows:

11.11.1 *Not used.*

11.11.2 *Not used.*

11.12.1 *Not used.*

11.12.2 *Not used.*

11.13 *Not used.*



Vysarn Limited | ACN 124 212 175

# Proxy Voting Form

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

Holder Number:

Your proxy voting instruction must be received by **4.00pm (WST) on Tuesday, 22 November 2022**, 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 appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

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

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

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

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

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

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

### CORPORATE REPRESENTATIVES

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

### Lodging your Proxy Voting Form:

#### 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)

