

# **Vection Technologies Limited**

## **(ACN 614 814 041)**

### **NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM**

**Tuesday, 28 November 2023**

**2:30pm AWST**

**To be held at**

**Level 4, Building C, Garden Office Park  
355 Scarborough Beach Road  
Osborne Park, WA 6017**

The Annual Report is available online at [vection-technologies.com](https://vection-technologies.com)

This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 8 6380 2555.

# NOTICE OF MEETING

Notice is given that the Annual General Meeting of Shareholders of Vection Technologies Limited (ACN 614 814 041) (**Company**) will be held at Level 4, Building C, Garden Office Park, 355 Scarborough Beach Road, Osborne Park, Western Australia 6017 on Tuesday, 28 November 2023 commencing at 2:30pm AWST.

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this 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 as Shareholders at 2:30pm AWST on 26 November 2023.

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Schedule 1.

## AGENDA

### Annual Report

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To table and consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2023, which includes the Financial Report, the Directors' Report and the Auditor's Report.

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

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

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report that forms part of the Directors' Report for the financial year ended 30 June 2023 be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum.”*

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

#### Voting Prohibition

In accordance with section 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 whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member. However, a vote may be cast by such person if:

- (a) the person is acting as a proxy and the Proxy Form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote on a resolution connected with the remuneration of a member of the Key Management Personnel.

## 2. Resolution 2 – Re-election of Director – Mr Gianmarco Orgnoni

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

*“That, for the purpose of clause 6.3 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Gianmarco Orgnoni, a Director who was appointed on 22 November 2017 and re-elected on 4 December 2020, retires, and being eligible for re-election, is elected as a Director with immediate effect.”*

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

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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 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 terms and conditions in the Explanatory Memorandum.”*

## 4. Resolution 4 – Ratification of Prior Issue – Performance Right

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

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1 Performance Right on the terms and conditions set out in the Explanatory Statement.”*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely Invrision S.r.l) or an Associate of that person or those persons.

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

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Dated 25 October 2023

**BY ORDER OF THE BOARD**

Derek Hall  
Company Secretary

# EXPLANATORY MEMORANDUM

## 1. Introduction

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This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting to be held at Level 4, Building C, Garden Office Park, 355 Scarborough Beach Road, Osborne Park WA 6017 on Tuesday, 28 November 2023 commencing at 2:30pm AWST (**Meeting**).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

## 2. Action to be taken by Shareholders

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

### 2.1 Proxies

A Proxy Form is attached to 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 participate in the Meeting, and are encouraged to lodge a directed 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.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) 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.

Shareholders and their proxies should be aware that:

- (a) If proxy holders vote, they must cast all directed proxies as they are directed to; and
- (b) Any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details are set out below.

### ***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:

- (a) 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); and
- (b) 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; and
- (c) 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
- (d) 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).

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

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

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the Chair of the meeting; and
- (c) at the meeting, a poll is duly demanded, or is otherwise required under section 250JA, on the question that the resolution be passed; and
- (d) either of the following applies:
  - (i) if a record of attendance is made for the meeting - the proxy is not recorded as attending;
  - (ii) 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.

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

## **2.2 Proxy Holders and Voting Instructions**

If the Chair is appointed as your proxy and the Chair is not directed how to vote, you are authorising the Chair to cast your undirected vote on all proposed resolutions.

If a member of the Company's Key Management Personnel, or a Closely Related Party of such member, is appointed as your proxy, they will not be able to vote your proxy on Resolution 1, unless you have directed them how to vote.

If you intend to appoint a member of the Company's Key Management Personnel, or a Closely Related Party of such member, or the Chair, as your proxy, you are encouraged to direct them how to vote on Resolution 1 by marking "For", "Against" or "Abstain" for each of those resolutions.

## 2.3 Submit your Proxy Vote

### 2.3.1 Online

Vote online at <https://www.automicgroup.com.au/> and simply follow the instructions on the enclosed Proxy Form.

### 2.3.2 By Paper

If you do not wish to vote online, then it is necessary to complete the enclosed Proxy Form in accordance with the detailed instructions set out therein.

The return of your completed form (ONLY if you do NOT vote online) can be done by one of the following ways:

A copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney of other authority) must be:

- (a) deposited at or posted to, the Share Registry at the below address;
- (b) sent by facsimile to the Company on +61 2 8583 3040; or
- (c) sent by email to [meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au),

not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be.

Delivery Address:  
Automic Registry Services  
Level 5, 126 Phillip Street  
Sydney NSW 2000

Postal Address:  
Automic Registry Services  
GPO Box 5193  
Sydney NSW 2001

## 3. Annual Report

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

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report which is available online at [www.vection-technologies.com](http://www.vection-technologies.com);
- (b) ask questions or make comment on the management of the Company;
- (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 the content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies 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.

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

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Section 250R(2) of the Corporations Act provides that the Company is required to 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 reports the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

Section 250R(3) of Corporations Act provides that Resolution 1 is advisory only and does not bind the Directors of the Company of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report.

However, the Corporations Act also gives Shareholders the opportunity to remove the Board if the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings (**Two Strikes Rule**).

Under the Two Strikes Rule, where a resolution on the Remuneration Report receives a 'no' vote of 25% or more 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) who were in office at the date of approval of the applicable Directors' Report will cease to hold office immediately before that further meeting but may stand for re-election.

At the Company's previous annual general meeting the votes cast against the Remuneration Report considered at that annual general meeting were less than 25%. Accordingly, a further resolution relating to the Two Strikes Rule is not relevant for this Annual General Meeting.

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

The Chair intends to exercise all undirected proxies in favour of Resolution 1. If the Chair of the Meeting 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, the Shareholder is considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention.

#### **5. Resolution 2 – Re-election of Director – Mr Gianmarco Orgnoni**

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Article 6.3(c) of the Constitution requires that if the Company has three or more Directors, one third of the Directors (rounded down to the nearest whole number) must retire at each AGM.

The Directors to retire are those who have held office as Director the longest period of time since their last election or appointment to that office. If two or more Directors have

held office for the same period of time, the Director to retire is determined by lot, unless those Directors agree otherwise.

A Director who retires under Article 6.3(c) is eligible for re-election.

Article 6.3(c) does not apply to the managing director of the Company.

The Company currently has four Directors and accordingly one must retire.

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

Mr Gianmarco Orgnoni, who was last elected on 4 December 2020, will retire in accordance with clause 6.3(c) of the Constitution and being eligible, seeks re-election.

Mr Gianmarco Orgnoni has skills extending across corporate finance, investment banking and research analysis. Mr Orgnoni has extensive experience in offering corporate advisory and finance analysis across European and Australian private and publicly listed companies. Mr Orgnoni has worked closely with and has provided adversarial services to several companies spanning from civil engineering, education, technology, biotechnology and real estate. Mr Orgnoni holds a bachelor's degree in economics and Business Administration from the Catholic University of the Sacred Heart of Milan, Italy.

Mr Orgnoni has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

The Board (excluding Mr. Gianmarco Orgnoni) recommends that Shareholders vote in favour of Resolution 2. The Chair of the meeting intends to vote undirected proxies in favour of Resolution 2.

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

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### **6.1 General**

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements commencing from the date of the Meeting where the Company obtains the approval until the earlier of the following:

- (a) the date that is 12 months after the date of the Meeting at which the approval is obtained;
- (b) the time and date of the Company's next annual general meeting; or
- (c) the time and date of the approval of Shareholders of a transaction under Listing Rule 11.1.2 or 11.2 in respect of the Company,

**(10% Placement Facility).** The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

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 meets the requirements of an eligible entity for this purpose because it is not included in the S&P/ASX 300 Index and currently has a market capitalisation of ~\$44 million.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact 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 Section 6.2(c) below).

## **6.2 Description of Listing Rule 7.1A**

### **(a) Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

### **(b) Equity Securities**

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.

The Company, as at the date of the Notice, has on issue one class of quoted Equity Securities, being Shares (ASX: VR1).

### **(c) Formula for calculating 10% Placement Facility**

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 annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

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

Where:

**A** is the number of fully paid ordinary securities on issue at the commencement of the relevant period:

(A) plus the number of fully paid ordinary securities 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 ordinary securities issued in relevant period on the conversion of convertible securities within Listing Rule 7.2 Exception 9 where:

- (1) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
  - (2) the issue of, or agreement to issue, the convertible securities approved, or taken to have been approved, under Listing Rule 7.1 or 7.4;
- (C) plus the number of fully paid ordinary securities issued in relevant period under an agreement to issue securities within Listing Rule 7.2 Exception 16 where:
- (1) the agreement was entered into before the commencement of the relevant period; or
  - (2) the agreement or issue was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4;
- (D) plus the number of any other fully paid ordinary securities issued in the relevant period with approval under rule 7.1 or rule 7.4;
- (E) plus the number of partly paid ordinary securities 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** 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 holders of its ordinary securities under Listing Rule 7.4.

**(d) Listing Rule 7.1A and Listing Rule 7.3A**

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.

At the date of this Notice, the Company has on issue 1,126,588,969 Shares and therefore has a capacity to issue:

- (i) 168,988,345 Equity Securities under Listing Rule 7.1; and
- (ii) 112,658,897 Equity Securities under Listing Rule 7.1A.

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 (refer to Section 6.2(c) above).

(e) **Minimum Issue Price**

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 (i) above, the date on which the Equity Securities are issued.

**6.3 Listing Rule 7.1A**

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 using the Company's 15% placement capacity under Listing Rule 7.1.

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) on the Resolution.

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

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

- (a) Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Meeting at which the approval is obtained and expires on the earlier to occur of:
  - (i) the date that is 12 months after the date of the Meeting at which the approval is obtained;
  - (ii) the time and date of the entity's next annual general meeting; or
  - (iii) the time and date of the approval by shareholders of the eligible entity's ordinary securities 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).**
- (b) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities 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 (i) above, the date on which the Equity Securities are issued.
- (c) If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Listed Options, only if the Listed Options are exercised). There is a risk that:
  - (i) the market price for the Company's Equity Securities in that class may be significantly lower on the date of the issue of the Equity Securities than of 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,

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

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.0195 50% decrease in Issue Price	\$0.039 Issue Price	\$0.08 100% increase in Issue Price
<b>Current Variable "A"</b> <b>1,126,588,969 Shares</b>	10% Voting Dilution	112,658,897 Shares	112,658,897 Shares	112,658,897 Shares
	Funds raised	\$2,196,848	\$4,393,697	\$8,787,394
<b>50% increase in current Variable "A"</b> <b>1,689,883,454 Shares</b>	10% Voting Dilution	168,988,345 Shares	168,988,345 Shares	168,988,345 Shares
	Funds raised	\$3,295,273	\$6,590,545	\$13,181,091
<b>100% increase in current Variable "A"</b> <b>2,253,177,938 Shares</b>	10% Voting Dilution	225,317,794 Shares	225,317,794 Shares	225,317,794 Shares
	Funds raised	\$4,393,697	\$8,787,394	\$17,574,788

**Note**

The table has been prepared on the following assumptions:

1. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
2. No Options (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
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 at 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 the Shareholder's holding at the date of the Meeting.
5. The table shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
6. The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes listed Options, it is assumed that those listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
7. The issue price is \$0.039, being the closing price of the Shares on ASX on 16 October 2023.

- (d) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 3 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- (e) The Company can only issue Equity Securities for cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisition), continued exploration and general working capital.
- (f) The Company will comply with the disclosure obligations under the Listing Rule 7.1A(4) upon issue of any Equity Securities.

- (g) 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 the Equity Securities 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 corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not Related Parties or associates of a Related Party of the Company.

Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

- (h) The Company previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 30 November 2022. In the 12 months preceding the date of the 2023 Annual General Meeting, the Company has not issued any Equity Securities under Listing Rule 7.1A.
- (i) For the purpose of ASX Listing Rule 14.1A (and in addition to the disclosure in clause 6.4(c) above):
- (i) if Resolution 3 is passed, the Directors will be able to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1; and
  - (ii) if Resolution 3 is not passed, the Directors will not be able to issue the Equity Securities under Listing Rule 7.1A, and will have to either rely on the Company's existing 15% placement capacity under Listing Rule 7.1 (from time to time), or (in the event that the Company's 15% placement capacity is exhausted) the Company will be required to obtain prior shareholder approval under Listing Rules 7.1 before being able to issue such Equity Securities (which may result in the Company incurring further time and expense).

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. As such, no voting exclusion statement has been included in the Notice.

The Directors of the Company believe Resolution 3 is in the best interest of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution.

## **7. Resolution 4 – Ratification of Prior Issue – Performance Right**

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### **7.1 General**

On 5 September 2023, the Company issued 1 Performance Right (**Performance Right**) as consideration under the binding agreement to acquire the business of Invrision S.r.l (as announced on 7 June 2023) (**Binding Agreement**).

The Company confirms that it made an error in the Appendix 3G announced on the ASX Platform on 5 September 2023, incorrectly stating that 62,000,000 Performance Right were issued (**Original Appendix 3G**).

Consistent with the terms of the Binding Agreement (as set out in Schedule 2), the consideration payable to Invrision S.r.l was a single (1) Performance Right which will convert into up to 62,000,000 Shares on achievement of milestones

The Company confirms that the 62,000,000 Performance Rights detailed in the Original Appendix 3G have not been issued to Invrision S.r.l and this was an administrative error. The Company will lodge a revised Appendix 3G (for the issue of the one Performance Right) as soon as practicable.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Performance Right (**Ratification**).

### **7.2 ASX Listing Rule 7.4**

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

### **7.3 Technical information required by ASX Listing Rule 14.1A**

If Resolution 4 is passed, the Performance Right 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 4 is not passed, the Performance Right will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

#### **7.4 Technical information required by ASX Listing Rule 7.5**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- (a) the Performance Right was issued to the vendor, Invrision S.r.l.;
- (b) 1 Performance Right was issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1;
- (c) the Performance Right was issued on the terms set out in Schedule 3;
- (d) the Performance Right was issued in the Original Appendix 3G on 5 September 2023. As advised in Section 7.1 the Company intends to lodge a revised Appendix 3G as soon as practicable;
- (e) the issue price was nil per Performance Right;
- (f) the purpose of the issue was to satisfy the Company's obligations under the Binding Agreement. A summary of the Binding Agreement is set out in Schedule 2; and
- (g) a voting exclusion statement is included in Resolution 4 of this Notice.

The Directors of the Company believe Resolution 4 is in the best interest of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution.

## SCHEDULE 1 – Definitions

In this Notice and the Explanatory Memorandum:

**\$** means Australian Dollars.

**10% Placement Facility** has the meaning given in Section 6.1.

**10% Placement Period** has the meaning given in Section 6.4.

**Annual Report** means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ending 30 June 2023.

**Associate** has the meaning given in sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if paragraph 12(1)(a) included a reference to the Listing Rules and on the basis that the Company is the "designated body" for the purposes of that section. A related party of a director or officer of the Company or of a Child Entity of the Company is to be taken to be an associate of the director or officer unless the contrary is established.

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

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

**Board** means the board of Directors.

**Business Day** means:

- (a) for determining when a notice, consent or other communication is given, a day that is not a Saturday, Sunday or public holiday in the place to which the notice, consent or other communication is sent; and
- (b) for any other purpose, a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth.

**Chair** means the person appointed to chair the Meeting convened by this 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 Vection Technologies Limited (ACN 614 814 041).

**Constitution** means the constitution of the Company as at the commencement 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 contained in the Annual Report.

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

**Explanatory Memorandum** means the explanatory memorandum attached to the Notice.

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

**Key Management Personnel** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

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

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

**Notice** means this notice of meeting.

**Option** means an option which entitles the holder to subscribe for one Share.

**Proxy Form** means the proxy form attached to the Notice.

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

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

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

**Section** means a section contained in this Explanatory Memorandum.

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

**Shareholder** means a shareholder of the Company.

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

**Two Strikes Rule** has the meaning in Section 4.

**VWAP** means volume weight average price.

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

In this Notice and the Explanatory Memorandum words importing the singular include the plural and vice versa

## SCHEDULE 2– Key Terms of InvrSION Binding Agreement

<b>Parties:</b>	Vection Technologies has entered into a binding agreement with InvrSION S.r.l.
<b>Consideration:</b>	<p>The consideration payable by the Company at settlement is one performance right which converts into fully paid ordinary shares in VR1 ("Shares") subject to Matteo Esposito ("InvrSION CEO") remaining employed until 30 June 2026 ("Performance Right").</p> <p>The Performance Right will convert into a number of Shares that is equal to the lesser of:</p> <ol style="list-style-type: none"> <li>1) the total of: <ol style="list-style-type: none"> <li>a) 0.95 times the audited revenue (prepared in accordance with the Australian Accounting Standards ("AASB")) for the InvrSION Business, as independently verified by the Company's auditors for the financial year ending 30 June 2023;</li> <li>b) 2 times the AASB audited revenue for the InvrSION Business, as independently verified by the Company's auditors for the financial year ending 30 June 2024;</li> <li>c) 2 times the AASB audited revenue for the InvrSION Business, as independently verified by the Company's auditors for the financial year ending 30 June 2025; and</li> <li>d) 1.5 times the AASB audited revenue for the InvrSION Business, as independently verified by the Company's auditors for the financial year ending 30 June 2026;</li> </ol> <p>and</p> </li> <li>2) €4,000,000,</li> </ol> <p>divided by the greater of \$0.10 and the volume weighted average price of the Shares traded in the 10-days prior to the day of the public lodgement to market of the Company's consolidated audited accounts for each relevant period.</p> <p>The audited revenue for each period described above, will be based on the semestral (1 January – 30 June) average Reserve Bank of Australia €/AUD exchange rate for that period, capped at a rate of 1 € = AUD 1.55.</p> <p>"The "Business" means, the complex of assets, contracts and agreements, mutually agreed liabilities, know-how, intellectual property, and software held by InvrSION that are necessary to conduct its business activity as a going concern and includes its wholly owned subsidiary, InvrSION USA Inc."</p>
<b>Conditions Precedent:</b>	<p>Settlement of the acquisition is conditional upon the satisfaction of conditions precedent, including:</p> <ol style="list-style-type: none"> <li>a) Management Agreements: the execution of specific employment agreements with InvrSION's management and, in particular, with the InvrSION CEO, for a period of minimum up to 30 June 2026, in a form that is mutually satisfactory to the Company and InvrSION;</li> <li>b) Business plan: the drafting of a joint 3-year business plan;</li> <li>c) Business Transfer: written confirmation from InvrSION that the InvrSION business has been validly transferred;</li> <li>d) Due diligence: Due diligence on the InvrSION business, financial and legal position at the sole satisfaction of the Company;</li> <li>e) R&amp;D Credits: InvrSION appointing an accredited expert for the: <ul style="list-style-type: none"> <li>• accounting, legal and technical certification of; and</li> <li>• preparation of the required documentary obligations for,</li> </ul> <p>any available tax credit incentives under Italian law for investments in research and development, technological innovation 4.0, and other innovative activities, in relation to the years 2020, 2021 and 2022, as a minimum (Tax Incentives);</p> </li> <li>f) Definitive Agreement: the parties entering into the definitive agreement in respect of</li> <li>g) the proposed acquisition.</li> </ol>
<b>Settlement:</b>	Settlement of the acquisition will occur on or prior to 31 July 2023.

The agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

## SCHEDULE 3 – Terms and Conditions of Performance Right

The following is a summary of the key terms and conditions of the Performance Right:

### (a) Vesting Conditions

The Performance Rights shall vest subject if alternatively (**Vesting Condition**): (i) Matteo Esposito remains employed or engaged by or otherwise involved with NewCo, VR1 or an Associate of NewCo or VR1 until 30 June 2026, or (ii) the Invrson CEO ceases to be employed or engaged by or otherwise involved with NewCo, VR1 or an Associate of NewCo or VR1 and is not a Bad Leaver.

Where, a “Bad Leaver” means a person who ceases to be employed or engaged by, or otherwise involved with NewCo, VR1 or an Associate of NewCo or VR1, as a result of his or her:

- (i) resignation or permanent departure before 30 June 2026, other than (i) for just cause (“*giusta causa*”) as (ii) a result of death or permanent incapacity, unlawful (“*senza giusta causa*”) dismissal or grave ill-health; or
- (ii) termination by NewCo, VR1 or an Associate of NewCo or VR1 with cause because he has committed:
  - (A) fraud or wilful misconduct;
  - (B) an indictable criminal offence;
  - (C) a material breach of his employment or consulting agreement which is not remedied within 20 business days after receiving written notice.

It is understood that consensual termination is not a case of Bad Leaver.

### (b) Notification to holder

The Company shall notify the holder in writing when the Vesting Condition has been satisfied.

### (c) Conversion

Subject to paragraph (o), upon vesting, the Performance Right will, within five (5) business days of the holder providing the Company notice of its election to convert, convert into a number of Shares that is equal to the lesser of:

- (i) the total of:
  - (A) 0.95 times the audited revenue (prepared in accordance with the Australian Accounting Standards (**AASB**)) for the Business, as independently verified by VR1’s auditors for the financial year ending 30 June 2023;
  - (B) 2 times the AASB audited revenue for the Business, as independently verified by VR1’s auditors for the financial year ending 30 June 2024;
  - (C) 2 times the AASB audited revenue for the Business, as independently verified by VR1’s auditors for the financial year ending 30 June 2025;

(D) 1.5 times the AASB audited revenue for the Business, as independently verified by VR1's auditors for the financial year ending 30 June 2026; and

(ii) €4,000,000.00,

divided by the greater of \$0.10 and the volume weighted average price of the Shares traded in the 10-days prior to the day of the public lodgement to market of VR1's consolidated audited accounts for each relevant period.

The AASB audited revenue for each period described in (c)(i) above will be based on the semestral (1 January – 30 June) average Reserve Bank of Australia €/AUD exchange rate for that period, to be capped at a rate of 1 € = AUD 1.55.

To the extent that VR1 acquires new companies or businesses through NewCo following the Acquisition, the revenue from those undertakings will not be included in the Business audited revenue for the purposes of the Performance Right.

**(d) Lapse of a Performance Right**

The Performance Right will automatically lapse upon the earlier to occur of:

- (i) the date that is 4 years from the date of issue of the Performance Right; and
- (ii) Matteo Esposito ceasing to be an officer or an employee of NewCo or of the Company, as applicable, unless he is not a Bad Leaver or it is otherwise determined by the Board at its absolute discretion.

**(e) Consideration**

No consideration will be payable upon the conversion of the Performance Right into Shares.

**(f) Share ranking**

All Shares issued upon the vesting of Performance Right will upon issue rank *pari passu* in all respects with other existing Shares.

**(g) Application to ASX**

The Performance Right will not be quoted on ASX. The Company must apply for the official quotation of any Shares issued on conversion of the Performance Right on ASX within the time period required by the ASX Listing Rules.

**(h) Timing of issue of Shares on conversion**

Within 5 business days after the date that the Performance Right is converted, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the Performance Right converted;
- (ii) if required, give ASX a notice that complies with section 708A(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 the Shares does not require disclosure to investors; and

- (iii) if admitted to the Official List of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the conversion of the Performance Right.

If a notice delivered under paragraph (h)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 business days after becoming aware of such notice being ineffective, 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 the Shares does not require disclosure to investors.

(i) **Transfer of Performance Right**

The Performance Right is not transferable.

(j) **Participation in new issues**

A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues without exercising the Performance Right.

(k) **Reorganisation of capital**

If at any time the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.

(l) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to the Company's existing shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) no changes will be made to the Performance Right.

(m) **Dividend and voting rights**

The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.

(n) **Change in control**

Subject to paragraph (o), upon:

- (i) a bona fide takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
  - (A) having received acceptances for not less than 50.1% of the Company's Shares on issue; and
  - (B) having been declared unconditional by the bidder; or
- (ii) a Court granting orders approving a compromise or arrangement for the

purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or

- (iii) in any other case, a person obtains Voting Power (as defined in the Corporations Act) in the Company that the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board,

then, to the extent Performance Right has not converted into Shares due to satisfaction of the relevant Vesting Condition, Performance Right will accelerate vesting conditions and will automatically convert into the number of Shares that is equal to €4,000,000.00, divided by the greater of \$0.10 and the volume weighted average price of the Shares traded in the 10-days prior to the change of control. To the extent that Shares are issued under this paragraph (n), the holder will enter into a voluntary escrow agreement on ordinary commercial terms for those Shares for the period from the date of issue of the Shares until 30 June 2026.

(o) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the conversion of a Performance Right under paragraphs (c) or (n) would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:

- (i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition; and
- (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (o)(i) within 7 days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.

(p) **No rights to return of capital**

A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(q) **Rights on winding up**

A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

(r) **ASX Listing Rule compliance**

The Board reserves the right to amend any term of the Performance Right to ensure compliance with the ASX Listing Rules.

(s) **No other rights**

A Performance Right gives the holder no rights other than those expressly provided by these terms and conditions and those provided at law where such rights at law cannot be excluded by these terms.

Your proxy voting instruction must be received by **02.30pm (AWST) on Sunday, 26 November 2023**, 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/#/loginsah> 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:

##### WEBSITE:

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

##### PHONE:

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

