
HYTERRA LTD
ACN 116 829 675
DECEMBER 2022 NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10:00 am (WST)

DATE: 30 May 2023

PLACE: Mirador Corporate, Suite 11, Level 2, 23 Railway Road, Subiaco WA 6008

The business of the Meeting affects your shareholding and your vote is important.

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

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 at 10:00 am (WST) on 28 May 2023.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 31 December 2022 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 31 December 2022."

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

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter 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:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR AVON MCINTYRE

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

"That, for the purpose of clause 15.2 of the Constitution, and for all other purposes, Mr Avon McIntyre, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. RESOLUTION 3 – ELECTION OF DIRECTOR – MR BENJAMIN MEE

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

“That, for the purpose of clause 15.4 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Benjamin Mee, a Director who was appointed as an additional Director on 18 April 2023, retires, and being eligible, is elected as a Director.”

5. RESOLUTION 4 – APPROVAL OF LISTING RULE 7.1A MANDATE

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

“That for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the Company's issued share capital at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and as further described in the Explanatory Statement.”

6. RESOLUTION 5 – ISSUE OF ZERO EXERCISE PRICE OPTIONS TO RELATED PARTY – BENJAMIN MEE

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 5,000,000 Class A zero exercise price Options to Mr Benjamin Mee (or their nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

Mr Benjamin Mee (or their nominee) 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 in the Company) or an associate of that person or those persons.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Dated: 26 April 2023

By order of the Board

A handwritten signature in black ink, appearing to read 'H. Cabatit', written in a cursive style.

Hannah Cabatit
Company Secretary

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is 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. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

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

Voting in person

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

Should you wish to discuss the matters in this Notice please do not hesitate to contact the Company Secretary on +61 8 6559 1792.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 31 December 2022 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the Auditor's Report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.hyterra.com or on the ASX platform for "HYT" www.asx.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

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

2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directions given	No directions given
Key Management Personnel ¹	Vote as directed	Unable to vote ³
Chair ²	Vote as directed	Able to vote at discretion of Proxy ⁴
Other	Vote as directed	Able to vote at discretion of Proxy

Notes:

¹ Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

² Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member.

³ Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

⁴ The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR AVON MCINTYRE

3.1 General

Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Avon McIntyre, who was appointed by other Directors on 24 February 2022 in accordance with the Constitution and was elected on 30 June 2022, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Mr McIntyre (PhD; Waikato University, NZ, 2002) is a geologist with 20 years' experience in both minerals and oil and gas exploration industries, with roles in government, service and operating companies. He worked for Shell Development Australia and Shell International in new ventures and new energies from 2008 to 2021, during which time he developed an interest in natural hydrogen and helium occurrences. He provided consulting services on an exclusive basis to the Company from October 2021 to February 2022 before joining the Board as an Executive Director and full-time employee to drive the understanding of subsurface hydrogen and helium and the recognition and acquisition of areas prospective for these gases.

3.3 Independence

If re-elected the Board considers that Mr McIntyre will not be an independent Director.

3.4 Board recommendation

The Board has reviewed Mr McIntyre's performance since his appointment to the Board and considers that Mr McIntyre's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Mr McIntyre and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – ELECTION OF DIRECTOR – MR BENJAMIN MEE

4.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Benjamin Mee, who was appointed by other Directors on 18 April 2023 in accordance with the Constitution, will retire in accordance with the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

4.2 Qualifications and other material directorships

Mr Benjamin Mee has 23 years of international oil and gas experience with a successful track record in project delivery from exploration, through to appraisal, development and production both onshore and offshore in various global locations. Most recently he held the title of Exploration Manager Deepwater Africa for Shell, during which time significant petroleum discoveries were made. His extensive geoscience knowledge and leadership experience has also complemented his corporate-focused positions in strategy and portfolio development. In the capacity of Executive Director, Mr Mee will be responsible for implementing strategies that can drive growth and support the Company's mission of becoming a leader producer in the natural hydrogen sector. He will also actively be involved in key project decision making, with a particular focus on end-user offtake opportunities and managing investor relations.

Mr Mee's decision to join the Company can be attributed to his career focus on developing solutions to mature complex energy resources and his passion for cleaner energy.

4.3 Independence

Mr Mee has no interests, position or relationship that might influence, or reasonably 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 Company as a whole rather than in the interests of an individual security holder or other party.

If elected, the Board considers that Mr Mee will not be an independent Director due to his role as an Executive Director.

4.4 Board recommendation

The Board considers that Mr Mee's skills and experience will enhance the Board's ability to perform its role. Accordingly, the Board supports the election of Mr Mee and recommends that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – APPROVAL OF 7.1A MANDATE

5.1 General

Broadly speaking, and subject to a number of exceptions, ASX 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.

However, under ASX Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$9,531,949 (based on the number of Shares on issue and the closing price of Shares on the ASX on 17 April 2023).

Resolution 4 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

For note, a special resolution is a resolution requiring at least 75% of votes cast by shareholders present and eligible to vote at the meeting in favour of the resolution.

If Resolution 4 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

5.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 4:

(a) **Period for which the 7.1A Mandate is valid**

The 7.1A Mandate will commence on the date of the Meeting and expiring on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;

- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) **Minimum Price**

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued for cash consideration at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX 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 by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 ASX trading days of the date in section 5.2(b)(i), the date on which the Equity Securities are issued.

(c) **Use of funds raised under the 7.1A Mandate**

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for the purpose set out for Shareholders at the time of such an issue. However, in general terms, the Company could issue Equity Securities under the additional placement capacity to raise cash to fund the Company's forward exploration work programs, for general working capital expenses, or acquiring new assets (including any expenses associated with such an acquisition). The Company is currently undertaking natural hydrogen flow testing operations at its Project Geneva, in Nebraska, USA and has also recently acquired a 100% working interest in additional leaseholdings in Kansas, USA. The Company may seek to undertake exploration and development activities on these assets that could require additional funding and investment.

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

(d) **Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at 17 April 2023.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)	Dilution (10%)	\$0.009	\$0.017	\$0.034
		50% decrease in Issue Price	Issue Price	100% increase in Issue Price
560,702,882 (Current)	Issue Price	56,070,288 Shares	56,070,288 Shares	56,070,288 Shares
	Funds Raised	\$504,632	\$953,194	\$1,906,389
841,054,323 (50% increase)*	Shares issued	84,105,432 Shares	84,105,432 Shares	84,105,432 Shares
	Funds raised	\$756,948	\$1,429,792	\$2,859,584
1,121,405,764 (100% increase)*	Shares issued	112,140,576 Shares	112,140,576 Shares	112,140,576 Shares
	Funds raised	\$1,009,265	\$1,906,389	\$3,812,779

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue conversion of options or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 560,702,882 Shares on issue as at the date of the Notice.
1. The issue price set out above is the closing price of the Shares on the ASX on 17 April 2023 (being \$0.017).
2. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
3. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
4. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised and no Performance Rights vest into Shares before the date of issue of the Equity Securities.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1 unless otherwise disclosed.
7. 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%.
8. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous Approval under ASX Listing Rule 7.1A**

The Company did not seek approval under Listing Rule 7.1A at its annual general meeting held on 31 August 2022. Accordingly, no securities were issued under ASX Listing Rule 7.1A in the last 12 months preceeding the date of the Meeting.

No securities were issued under an exception of ASX Listing Rule 7.2.

5.3 Voting Exclusion

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

6. RESOLUTION 5 – ISSUE OF ZERO EXERCISE PRICE OPTIONS TO RELATED PARTY – BENJAMIN MEE

6.1 General

As announced on 19 April 2023, the Company appointed Mr Benjamin Mee as an Executive Director under a consultancy agreement (**Consultancy Agreement**) with Meetime Pty Ltd (an entity controlled by Mr Mee). Pursuant to the Consultancy Agreement, the Company agreed, subject to obtaining Shareholder approval, to issue 5,000,000 Class A zero exercise price Options (**Class A ZEPOs**) to Mr Mee (or their nominee) on the terms and conditions set out below.

Resolution 5 seeks Shareholder approval for the issue of the Class A ZEPOs to Mr Mee (or their nominee).

A summary of the Consultancy Agreement is set out below:

Term	Commencing on 18 April 2023 with no fixed term, subject to termination with or without cause.
Notice period for termination by the Company	3 months (without cause) Immediately (with cause)
Notice period for termination by Mr Mee	3 months
Annual remuneration	\$275,000 per annum (plus superannuation/GST)
Incentive Securities	5,000,000 Class A ZEPOs to be issued subject to obtaining shareholder approval at this Annual General Meeting (being the subject of Resolution 5) and on terms set out in Schedule 1. It is intended that these Class A ZEPOs will be subject to a 12 month continuous service vesting period. A further 20,000,000 zero exercise price Options are intended to be issued to Mr Mee upon the receipt of shareholder approval at a general meeting to be held subsequent to this Annual General Meeting. The terms of these zero exercise price Options are yet to be determined.
Other provisions	The Consultancy Agreement otherwise contains provisions regarding duties, leave entitlements, confidentiality and other terms considered standard for an agreement of this type.

6.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Class A ZEPOs to Mr Mee (or their nominee) constitutes giving a financial benefit and Mr Mee is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Mee who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Class A ZEPOs because the agreement to issue the Class A ZEPOs, reached as part of the remuneration package for Mr Mee, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

6.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of Class A ZEPOs falls within Listing Rule 10.11.1 falls within exception 11 under Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.1.

Resolution 5 seeks the required Shareholder approval for the issue of the Class A ZEPOs under and for the purposes of Listing Rule 10.11.

6.4 Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Class A ZEPOs to Mr Mee within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Class A ZEPOs (because approval is being obtained under Listing Rule 10.11), the issue of the Class A ZEPOs will not use up any of the Company's 15% annual placement capacity.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the Class A ZEPOs and the Company will consider alternative means of remuneration for Mr Mee, which may include additional cash payments.

6.5 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 5:

- (a) the Class A ZEPOs will be issued to Mr Mee (or their nominee), who falls within the category set out in Listing Rule 10.11.1 as Mr Mee is a related party of the Company by virtue of being a Director;
- (b) the maximum number of Class A ZEPOs to be issued is 5,000,000;
- (c) the terms and conditions of the Class A ZEPOs are set out in Schedule 1;

- (d) the Class A ZEPOs will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Class A ZEPOs will occur on the same date;
- (e) the issue price of the Class A ZEPOs will be nil. The Company will not receive any other consideration in respect of the issue or the exercise of the Class A ZEPOs;
- (f) the purpose of the issue of the Class A ZEPOs is to provide a performance linked incentive component in the remuneration package for Mr Mee to motivate and reward their performance as a Director and to provide cost effective remuneration to Mr Mee, enabling the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Mee;
- (g) the current total remuneration package for Mr Mee is \$275,000 per annum (plus superannuation/GST);
- (h) the Class A ZEPOs are being issued to Mr Mee under the Consultancy Agreement. A summary of the material terms of the Consultancy Agreement is set out in Section 6.1; and
- (i) a voting exclusion statement is included in Resolution 5 of the Notice.

GLOSSARY

\$ means Australian dollars.

7.1A Mandate has the meaning given in Section 5.1.

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

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Associate has the meaning given to it by Section 9 of the Corporations Act.

Board means the current board of directors of the Company.

Chair means the chair of the Meeting.

Class A ZEPOs or **Class A zero exercise price Options** has the meaning given in Section 6.1 and on the terms set out in Schedule 1, and a **Class A ZEPO** is any one of the Class A ZEPOs.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (d) a dependent of the member or the member's spouse;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means HyTerra Ltd (ACN 116 829 675).

Constitution means the Company's constitution.

Consultancy Agreement means the consultancy agreement between the Company and Mr Benjamin Mee as set out in Section 6.1.

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

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

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.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 31 December 2022.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the formula in Listing Rule 7.1A.2.

VWAP means volume weighted average price.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF CLASS A ZEPOS

(a) **Entitlement**

Each Class A ZEPO entitles the holder to subscribe for one Share upon exercise of the Class A ZEPO.

(b) **Exercise Price**

No consideration is payable upon the exercise of each Class A ZEPO.

(c) **Expiry Date**

Each Class A ZEPO will expire at 5:00 pm (WST) on the date that is five (5) years from the date of issue (**Expiry Date**). A Class A ZEPO not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Vesting Conditions**

Subject to the Company complying with the ASX Listing Rules and the Corporations Act, each Class A ZEPO will vest upon the holder serving 12 months of continuous service with the Company (as a director, consultant or employee of the Company), commencing from the date of employment commencement date (**Vesting Conditions**).

(e) **Exercise Period**

Upon satisfaction of the Vesting Conditions, the Class A ZEPOs are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(f) **Notice of Exercise**

The Class A ZEPOs may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Class A ZEPO certificate (**Notice of Exercise**) and payment of the Exercise Price for each Class A ZEPO being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(g) **Exercise Date**

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

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

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Class A ZEPOs specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (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 exercise of the Class A ZEPOs.

If a notice delivered under (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) **Shares issued on exercise**

Shares issued on exercise of the Class A ZEPOs rank equally with the then issued shares of the Company.

(j) **Reconstruction of capital**

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

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Class A ZEPOs and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Class A ZEPOs without exercising the Class A ZEPOs.

(l) **Change in exercise price**

A Class A ZEPO does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Class A ZEPO can be exercised.

(m) **Transferability**

The Class A ZEPOs are not transferable.

LODGE YOUR PROXY APPOINTMENT ONLINE



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

ANNUAL GENERAL MEETING PROXY FORM

I/We being shareholder(s) of HyTerra Ltd and entitled to attend and vote hereby:

APPOINT A PROXY

☐

The Chair of the Meeting

OR



PLEASE NOTE: If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held at **Mirador Corporate, Suite 11, Level 2, 23 Railway Road, Subiaco WA 6008 on 30 May 2023 at 10:00am (WST)** and at any adjournment or postponement of that Meeting.

Chair's voting intentions in relation to undirected proxies: The Chair intends to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances, the Chair may change his/her voting intentions on any Resolution. In the event this occurs, an ASX announcement will be made immediately disclosing the reasons for the change.

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 & 5 (except where I/we have indicated a different voting intention below) even though these resolutions are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair.

VOTING DIRECTIONS

#	Resolutions	For	Against	Abstain*
1	ADOPTION OF REMUNERATION REPORT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	RE-ELECTION OF DIRECTOR – MR AVON MCINTYRE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	ELECTION OF DIRECTOR – MR BENJAMIN MEE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	APPROVAL OF LISTING RULE 7.1A MANDATE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	ISSUE OF ZERO EXERCISE PRICE OPTIONS TO RELATED PARTY – BENJAMIN MEE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address

☐

Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution 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 resolution 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 a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolutions 1 & 5, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolutions 1 & 5.

PLEASE NOTE: If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

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

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 10.00 am (WST) on 28 May 2023, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 6370 4203



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033