



**Sprintex Limited**

ABN: 38 106 337 599

**ASX: SIX**

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that a General Meeting of Sprintex Limited (Company) will be held at 1/18 Olive Street, Subiaco WA 6008 at 8.30am WST / 11.30 am AEDT on 10 December 2021.

In accordance with the Treasury Laws Amendment (2021 Measures No. 1) Act 2021, the Company will not be dispatching physical copies of the Notice unless a shareholder has requested a hard copy. Instead, the Notice of Meeting and accompanying explanatory statement (Meeting Materials) are being made available to shareholders electronically. This means that:

- You can access the Meeting Materials online at the Company's website [www.sprintex.com.au](http://www.sprintex.com.au) or by logging in to our share registry's website [www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)
- A complete copy of the Meeting Materials has been posted to the Company's website.
- If you have provided an email address and have elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to an electronic copy of the Meeting materials and the proxy form.

If you would like to receive electronic communications from the Company in the future, please update your communication elections online at [www.advancedshare.com.au](http://www.advancedshare.com.au). If you have not yet registered, you will need your shareholder information including SRN/HIN details.

If you are unable to access the Meeting Materials online please contact our share registry Advanced Share Registry Limited on [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au) or (08) 9389 8033 (within Australia) or +61 8 9389 8033 (Outside Australia) between 8:30am and 5:30pm (WST) Monday to Friday, to arrange a copy.

As a result of the potential health risks and the Governments restrictions in response to the COVID-19 pandemic, the Company encourages all shareholders to lodge a directed proxy form prior to the meeting rather than planning on attending the meeting in person.

Yours sincerely,

Michael van Uffelen  
Company Secretary

10 November 2021

Unit 2 / 63 Furniss Road, Darch WA 6065

Phone: +61 8 9262 7277

Email: [admin@sprintex.com.au](mailto:admin@sprintex.com.au)

URL: [www.sprintex.com.au](http://www.sprintex.com.au)



## LODGE YOUR PROXY APPOINTMENT ONLINE



### ONLINE PROXY APPOINTMENT

[www.advancedshare.com.au/investor-login](http://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.

## 2021 ANNUAL GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Sprintex Limited 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 1/18 Olive Street, SUBIACO WA 6008 on 10 December 2021 at 8.30am 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, 11, 12, 13 & 14 (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 – Li Chen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of prior issue of Shares under the Public Offer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of prior issue of Options to Consultant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratification of prior issue of Shares under the Tranche 1 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval to issue Shares under the Tranche 2 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval to issue Options under the Tranche 1 And Tranche 2 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval to issue Options under SPP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Approval to issue Shortfall Shares under SPP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 Approval to issue Options to Lead Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 Adoption of Incentive Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12 Issue of Incentive Performance Rights to Director - Jude Upton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13 Issue of Incentive Performance Rights to Director - Li Chen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14 Issue of Incentive Performance Rights to Director - Steven Apedaile	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15 Approval of 7.1A Mandate	<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, 11, 12, 13 & 14, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolutions 1, 11, 12, 13 & 14.

**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 8.30am WST on 8 December 2021, 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](http://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](mailto:admin@advancedshare.com.au)



#### IN PERSON

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009



#### ALL ENQUIRIES TO

Telephone: +61 8 9389 8033

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**SPRINTEX LIMITED**  
**ACN 106 337 599**  
**NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 8.30am WST, 11.30am AEDT

**DATE:** 10 December 2021

**PLACE:** 1/18 Olive Street  
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 8.30am WST on 8 December 2021.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

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#### 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 30 June 2021.”*

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

A voting prohibition statement applies to this Resolution. Please see below.

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#### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – LI CHEN

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 14.2 of the Constitution, Listing Rule 14.5 and for all other purposes, Li Chen, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

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#### 4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES UNDER THE PUBLIC OFFER

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 7.4 and for all other purposes, Shareholders ratify the issue of 5,813,953 Shares on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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#### 5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF OPTIONS TO CONSULTANT

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 7.4 and for all other purposes, Shareholders ratify the issue of 5,000,000 Options on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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**6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES UNDER THE TRANCHE 1 PLACEMENT**

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 7.4 and for all other purposes, Shareholders ratify the issue of 20,409,654 Shares to the Tranche 1 Placement Participants on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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**7. RESOLUTION 6 – APPROVAL TO ISSUE SHARES UNDER THE TRANCHE 2 PLACEMENT**

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 7.1 and for all other purposes, approval is given for the Company to issue up to 32,923,680 Shares to the Tranche 2 Placement Participants on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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**8. RESOLUTION 7 – APPROVAL TO ISSUE OPTIONS UNDER THE TRANCHE 1 AND TRANCHE 2 PLACEMENT**

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 7.1 and for all other purposes, approval is given for the Company to issue up to 26,666,667 Options to the Tranche 1 and Tranche 2 Placement Participants on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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**9. RESOLUTION 8 – APPROVAL TO ISSUE OPTIONS UNDER SPP**

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 7.1 and for all other purposes, approval is given for the Company to issue up to 6,666,667 Options to the SPP Participants on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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**10. RESOLUTION 9 – APPROVAL TO ISSUE SHORTFALL SHARES UNDER SPP**

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 7.1 and for all other purposes, approval is given for the Company to issue up to 13,333,334 Shares to participants of the SPP Shortfall Offer (or their nominees) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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**11. RESOLUTION 10 – APPROVAL TO ISSUE OPTIONS TO LEAD MANAGER**

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 7.1 and for all other purposes, approval is given for the Company to issue up to 1,000,000 Options to the Lead Manager on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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**12. RESOLUTION 11 – ADOPTION OF INCENTIVE PERFORMANCE RIGHTS PLAN**

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 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Incentive Performance Rights Plan and for the issue of up to 21,397,131 securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

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**13. RESOLUTION 12 – ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO DIRECTOR - JUDE UPTON**

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

*“That, subject to the passing of Resolution 11 , for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 5,000,000 Performance Rights to Jude Upton (or their nominee) under the Incentive Performance Rights Plan on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

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**14. RESOLUTION 13 – ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO DIRECTOR - LI CHEN**

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

*“That, subject to the passing of Resolution 11 , for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 5,000,000 Performance Rights to Li Chen (or their nominee) under the Incentive Performance Rights Plan on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

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**15. RESOLUTION 14 – ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO DIRECTOR - STEVEN APEDAILE**

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

*“That, subject to the passing of Resolution 11 , for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 2,500,000 Performance Rights to Steven Apedaile (or their nominee) under the Incentive Performance Rights Plan on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

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**16. RESOLUTION 15 – APPROVAL OF 7.1A MANDATE**

To consider and, if thought fit, to pass the following resolution as a **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 issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”*

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**Dated: 10 November 2021**

**By order of the Board**

**Michael van Uffelen**  
**Company Secretary**

## Voting Prohibition Statements

<p><b>Resolution 1 – Adoption of Remuneration Report</b></p>	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:</p> <ul style="list-style-type: none"> <li>(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or</li> <li>(b) a Closely Related Party of such a member.</li> </ul> <p>However, a person (the <b>voter</b>) 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:</p> <ul style="list-style-type: none"> <li>(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or</li> <li>(b) the voter is the Chair and the appointment of the Chair as proxy: <ul style="list-style-type: none"> <li>(i) does not specify the way the proxy is to vote on this Resolution; and</li> <li>(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.</li> </ul> </li> </ul>
<p><b>Resolution 11 - Adoption of Incentive Performance Rights Plan</b></p>	<p>A person appointed as a proxy must not vote on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is either: <ul style="list-style-type: none"> <li>(i) a member of the Key Management Personnel; or</li> <li>(ii) a Closely Related Party of such a member; and</li> </ul> </li> <li>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</li> </ul> <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is the Chair; and</li> </ul> <p>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.</p>
<p><b>Resolution 12 – Issue of Incentive Performance Rights to Director</b></p>	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (<b>Resolution 12 Excluded Party</b>). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 12 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is either: <ul style="list-style-type: none"> <li>(i) a member of the Key Management Personnel; or</li> <li>(ii) a Closely Related Party of such a member; and</li> </ul> </li> <li>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</li> </ul> <p>Provided the Chair is not a Resolution 12 Excluded Party, the above prohibition does not apply if:</p>

	<ul style="list-style-type: none"> <li>(a) the proxy is the Chair; and</li> <li>(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.</li> </ul>
<p><b>Resolution 13 – Issue of Incentive Performance Rights to Director</b></p>	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (<b>Resolution 13 Excluded Party</b>). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 13 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is either: <ul style="list-style-type: none"> <li>(i) a member of the Key Management Personnel; or</li> <li>(ii) a Closely Related Party of such a member; and</li> </ul> </li> <li>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</li> </ul> <p>Provided the Chair is not a Resolution 13 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is the Chair; and</li> <li>(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.</li> </ul>
<p><b>Resolution 14 – Issue of Incentive Performance Rights to Director</b></p>	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (<b>Resolution 14 Excluded Party</b>). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 14 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is either: <ul style="list-style-type: none"> <li>(i) a member of the Key Management Personnel; or</li> <li>(ii) a Closely Related Party of such a member; and</li> </ul> </li> <li>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</li> </ul> <p>Provided the Chair is not a Resolution 14 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is the Chair; and</li> <li>(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.</li> </ul>

## Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

<b>Resolution 3 – Ratification of prior issue of Shares</b>	A person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.
<b>Resolution 4 – Ratification of prior issue of Options</b>	A person who participated in the issue or is a counterparty to the agreement being approved (namely MMR Corporate Services Pty Ltd) or an associate of that person or those persons.
<b>Resolution 5 – Ratification of prior issue of Shares under the Tranche 1 Placement</b>	The Tranche 1 Placement Participants and any other person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.
<b>Resolution 6 – Approval to issue Shares under the Tranche 2 Placement</b>	The Tranche 2 Placement Participants and any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (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).
<b>Resolution 7 – Approval to issue Options to the Tranche 1 and 2 Options Participants</b>	The Tranche 1 and Tranche 2 Placement Participants and any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (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).
<b>Resolution 8 – Approval to issue Options to the SPP Participants</b>	The SPP Participants or any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (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).
<b>Resolution 9 – Approval to issue SPP Shortfall Shares</b>	The participants of the SPP Shortfall Offer (or their nominees) or any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (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).
<b>Resolution 10 – Approval to issue Options</b>	Viriathus Capital Pty Ltd or any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (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).
<b>Resolution 11 – Adoption of Incentive Performance Rights Plan</b>	A person who is eligible to participate in the employee incentive scheme or an associate of that person or those persons.
<b>Resolution 12 – Issue of Incentive Performance Rights to Director</b>	Jude Upton (or his nominee) or any other person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question an associate of that person or those persons.
<b>Resolution 13 – Issue of Incentive Performance Rights to Director</b>	Li Chen (or his nominee) or any other person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question an associate of that person or those persons.
<b>Resolution 14 – Issue of Incentive Performance Rights to Director</b>	Steven Apedaile (or his nominee) or any other person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question 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 the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair 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.

### **Voting by proxy**

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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 (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) 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**

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

You may still attend the meeting and vote in person even if you have appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that resolution.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the meeting. If you do not bring your Proxy Form with you, you can still attend the meeting but representatives from Advanced Share Registry will need to verify your identity. You can register from 8.15am on the day of the meeting.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9262 7277.***

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## EXPLANATORY STATEMENT

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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.

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### 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 30 June 2021 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.sprintex.com.au](http://www.sprintex.com.au).

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### 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.

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## 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – LI CHEN

### 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.

Li Chen, who has served as a Director since 16 April 2021 and was last elected on 28 September 2020, retires by rotation and seeks re-election.

### 3.2 Qualifications and other material directorships

Mr Chen has over 6 years' experience from an engineer to a managing director in mechatronics research and development, business development, project management, scheduling, budget control and resource planning. With a degree in Mechanical Engineering from University College London, Mr Chen is also qualified as a Senior New-energy Engineer (Ministry of Industry and information Technology, China). Mr Chen is fluent in Chinese and English.

### 3.3 Independence

If re-elected the Board considers Li Chen will be an independent Director.

### 3.4 Board recommendation

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

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## 4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES UNDER THE PUBLIC OFFER

### 4.1 General

On 13 April 2021, the Company issued 5,813,953 Shares at an issue price of \$0.086 per Share to raise \$500,000 (**Public Offer Shares**).

The Company engaged the services of Indian Ocean Corporate Pty Ltd (ACN 142 266 279) (**Indian Ocean Corporate**), (AFSL 336 409), to manage the issue of the Public Offer Shares. The Company agreed to pay a management fee of \$30,000 (being, 6% of the amount raised under the issue of the Public Offer Shares).

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

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

The Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 12 being passed at this Meeting.

The issue of the Public Offer Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Public Offer Shares.

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

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Public Offer Shares.

Resolution 3 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Public Offer Shares.

#### **4.2 Technical information required by Listing Rule 14.1A**

If Resolution 3 is passed, the Public Offer Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Public Offer Shares.

If Resolution 3 is not passed, the Public Offer Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Public Offer Shares.

It is noted that the Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 12 being passed at this Meeting.

#### **4.3 Technical information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 3 :

- (a) the Public Offer Shares were issued to professional and sophisticated investors who are clients of Indian Ocean Corporate. The recipients were identified through a bookbuild process, which involved Indian Ocean Corporate seeking expressions of interest to participate in the capital raising from non-related parties of the Company;

- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;
- (c) 5,813,953 Public Offer Shares were issued and the Public Offer Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Public Offer Shares were issued on 13 April 2021;
- (e) the issue price was \$0.086 per Public Offer Share. The Company has not and will not receive any other consideration for the issue of the Public Offer Shares;
- (f) the purpose of the issue of the Public Offer Shares was to raise \$500,000, which will be applied towards implementing the Company's business objectives, repayment of amounts owed to creditors of the Company, expenses of the Company's recapitalisation and working capital; and
- (g) the Public Offer Shares were not issued under an agreement.

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## 5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF OPTIONS TO CONSULTANT

### 5.1 General

On 19 May 2021, the Company issued 5,000,000 Options in consideration for investor relations services provided by MMR Corporate Services Pty Ltd (**MMR Corporate**) (**Consultancy Options**).

As summarised in Section 4.1 above, 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 12 month period.

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

The Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 12 being passed at this Meeting.

The issue of the Consultancy Options does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Consultancy Options.

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

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Consultancy Options.

Resolution 4 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Consultancy Options.

## **5.2 Technical information required by Listing Rule 14.1A**

If Resolution 4 is passed, the Consultancy Options will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Consultancy Options.

If Resolution 4 is not passed, the Consultancy Options will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Consultancy Options.

It is noted that the Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 12 being passed at this Meeting.

## **5.3 Technical information required by Listing Rule 7.5**

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

- (a) the Consultancy Options were issued to MMR Corporate;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;
- (c) 3,000,000 Consultancy Options were issued on the terms and conditions set out in Schedule 1 ;
- (d) 2,000,000 Consultancy Options were issued on the terms and conditions set out in Schedule 1 ;
- (e) the Consultancy Options were issued on 19 May 2021;

- (f) the Consultancy Options were issued at a nil issue price, in consideration for investor relations services provided by MMR Corporate. The Company has not and will not receive any other consideration for the issue of the Consultancy Options (other than in respect of funds received on exercise of the Consultancy Options);
- (g) the purpose of the issue of the Consultancy Options was to satisfy the Company's obligations under the investor relations services agreement; and
- (h) the Consultancy Options were issued to MMR Corporate under an investor relations agreement. A summary of the material terms of the Investor Relations Agreement is set out in Schedule 2 .

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## 6. BACKGROUND TO RESOLUTIONS 5 TO 10

As announced on 2 November 2021, the Company is undertaking a placement to professional and sophisticated investors to raise approximately \$4,000,000 through the issue of 53,333,334 Shares at an issue price of \$0.075 per Share (**Placement**), together with one free attaching Option for every two Shares applied for and issued under the Placement (**Placement Options**). The Placement Options will be exercisable at \$0.10 on or before the date that is one (1) year from their date of issue. The full terms and conditions of the Placement Options are set out in Schedule 3

The securities issued under the Placement will be issued as follows:

- (a) the Company issued 20,409,654 Shares on 8 November 2021 pursuant to the Company's existing placement capacity under Listing Rule 7.1 (ratification of which is sought pursuant to Resolution 5 ) (**Tranche 1 Placement**); and
- (b) the Company proposes to issue 32,923,680 Shares to professional and sophisticated investors subject to Shareholder approval being obtained under Resolution 6 (**Tranche 2 Placement**).

The Company is also seeking Shareholder approval pursuant to Resolution 7 for the issue of one Placement Option for every two Shares subscribed for by the participants in the Placement. The Placement Options are expected to be issued on or around the date of this Meeting.

Additionally, the Company is conducting a security purchase plan to raise up to \$1,000,000, through the issue of up to 13,333,333 Shares (**SPP**).

Under the SPP, eligible Shareholders (being those Shareholders who are recorded as holders of Shares at 5.00pm (WST) on 1 November 2021 (the **SPP Record Date**) and who have a registered address in Australia) may apply for Shares at an issue price of \$0.075 (being the same issue price as the Placement). Subject to Shareholder approval being obtained under Resolution 8 , eligible Shareholders who participate in the SPP will also be issued one Option for every two Shares subscribed for and issued (**SPP Options**). The SPP Options will be issued on the same terms as the Placement Options. The full terms and conditions of the SPP Options are set out in Schedule 3.

In the event that less than \$1,000,000 is applied for under the SPP Offer by eligible Shareholders, the Directors will seek to place that number of Shares at an issue price of \$0.075 per Share to raise up to \$1,000,000, when combined with the

amount raised under the SPP Offer (**Shortfall Offer**). The Company is seeking Shareholder approval to issue the Shortfall Offer Shares.

Further detail regarding the SPP is set out in the prospectus lodged by the Company with the ASIC and ASX on or around November 2021 (**Prospectus**) pursuant to which the SPP offer is being made.

#### Use of Funds

The funds raised under the Placement and SPP are intended to be applied towards building and fit out costs of the Company's new production facility, production and testing equipment costs, engineering and development costs, inventory build costs and working capital. Further detail regarding the use of funds raised under the Placement and SPP will be set out in the Prospectus.

#### Lead Manager

The Company engaged the services of Viriathus Capital Pty Ltd (ACN 113 959 596) (AFSL 297950) as the lead manager to the Placement and SPP (**Viriathus Capital** or **Lead Manager**). In connection with the Placement and SPP, the Company agreed to pay and issue Viriathus Capital:

- (a) a management fee of 2% of the gross amount raised under the Placement;
- (b) a placement fee of 4% of the gross amount raised under the Placement;
- (c) a SPP management fee of 3% of the gross amount raised under the SPP;
- (d) a DVP establishment fee of \$7,500; and
- (e) 1,000,000 Options exercisable at \$0.10 on or before the date that is one (1) year from their date of issue.

#### Indicative Timetable

Event	Date
SPP Record Date	1 November 2021
Announcement of SPP offer and Placement	2 November 2021
Issue of Shares under the Tranche 1 Placement and lodgement of Appendix 2A with ASX for the Shares	8 November 2021
Lodgement of Prospectus with ASIC and ASX for SPP Offer, Options Offers and Cleansing Offer	8 November 2021
Opening date of Offers under the Prospectus (including the SPP Offer)	8 November 2021
Date of Annual General Meeting	10 December 2021
Closing Date of Offers under the Prospectus (including the SPP Offer but excluding the Cleansing Offer)	10 December 2021
Issue of Options under the Tranche 1 Placement Issue of Shares and Options under Tranche 2 Placement Issue of Shares and Options under the SPP Offer Lodgement of Appendix 2A and Appendix 3G with ASX	10 December 2021

Event	Date
Closing Date of Cleansing Offer under Prospectus	13 December 2021

*\* The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date of the SPP, close the SPP early or extend the date of issue of the Placement Options, and the Securities under the SPP and the Tranche 2 Placement without notice.*

## **7. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES UNDER THE TRANCHE 1 PLACEMENT**

### **7.1 General**

As set out in Section 6 above, the Company issued 20,409,654 Shares on 8 November 2021 to professional and sophisticated investors at an issue price of \$0.075 per Share to raise \$1,530,724 (**Tranche 1 Placement Shares**).

As summarised in Section 4.1 above, 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 12 month period.

The issue of the Tranche 1 Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up all of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Tranche 1 Placement Shares.

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

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares.

Resolution 5 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares.

### **7.2 Technical information required by Listing Rule 14.1A**

If Resolution 5 is passed, the Tranche 1 Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7., effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Placement Shares.

If Resolution 5 is not passed, the Tranche 1 Placement Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Placement Shares.

### 7.3 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 5 :

- (a) the Tranche 1 Placement Shares were issued to professional and sophisticated investors who are clients of Viriathus Capital. The recipients were identified through a bookbuild process, which involved Viriathus Capital seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;
- (c) 20,409,654 Tranche 1 Placement Shares were issued and the Tranche 1 Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Tranche 1 Placement Shares were issued on 8 November 2021;
- (e) the issue price was \$0.075 per Tranche 1 Placement Share. The Company has not and will not receive any other consideration for the issue of the Tranche 1 Placement Shares;
- (f) the purpose of the issue of the Tranche 1 Placement Shares was to raise \$1,530,724, which will be applied on the basis set out in section 6; and
- (g) the Tranche 1 Placement Shares were not issued under an agreement.

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## 8. RESOLUTION 6 – APPROVAL TO ISSUE SHARES UNDER THE TRANCHE 2 PLACEMENT

### 8.1 General

As set out in Section 6 above, the Company has received firm subscriptions from investors to subscribe for 32,923,680 Shares at an issue price of \$0.075 per Share to raise \$2,469,276 under the Tranche 2 Placement.

Resolution 6 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of 32,923,680 Shares (**Tranche 2 Placement Shares**) to professional and sophisticated investors who wish to participate in the Tranche 2 Placement (**Tranche 2 Placement Participants**).

As summarised in Section 4.1 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Tranche 2 Placement Shares does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

## 8.2 Technical information required by Listing Rule 14.1A

If Resolution 6 is passed, the Company will be able to proceed with the issue of the Tranche 2 Placement Shares. In addition, the issue of the Tranche 2 Placement Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Tranche 2 Placement Shares.

Resolution 6 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Tranche 2 Placement Shares.

## 8.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 6 :

- (a) the Tranche 2 Placement Shares will be issued to professional and sophisticated investors who are clients of Viriathus Capital. The recipients will be identified through a bookbuild process, which will involve Viriathus Capital seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Tranche 2 Placement Shares to be issued is 32,923,680. The Tranche 2 Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Tranche 2 Placement Shares will be issued no later than 3 months 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 Tranche 2 Placement Shares will occur on the same date;
- (e) the issue price of the Tranche 2 Placement Shares will be \$0.075 per Tranche 2 Placement Share. The Company will not receive any other consideration for the issue of the Tranche 2 Placement Shares;
- (f) the purpose of the issue of the Tranche 2 Placement Shares is to raise capital, which the Company intends to apply towards the funds set out in section 6;
- (g) the Tranche 2 Placement Shares are not being issued under an agreement; and
- (h) the Tranche 2 Placement Shares are not being issued under, or to fund, a reverse takeover.

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## **9. RESOLUTION 7 – APPROVAL TO ISSUE OPTIONS TO THE TRANCHE 1 AND 2 PLACEMENT PARTICIPANTS**

### **9.1 General**

As set out in Section 6 above, the Company is obtaining Shareholder approval, to issue participants in the Placement one Placement Option for every two Shares subscribed for and issued.

Resolution 7 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of Placement Options to the Tranche 1 and Tranche 2 Placement Participants (**Placement Options**).

As summarised in Section 4.1 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Placement Options does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

### **9.2 Technical information required by Listing Rule 14.1A**

If Resolution 7 is passed, the Company will be able to proceed with the issue of the Placement Options. In addition, the issue of the Placement Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of the Placement Options. If this occurs, the Company may consider alternative mechanisms to recompense participants who participate in the Placement.

Resolution 7 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Placement Options.

### **9.3 Technical information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 7 :

- (a) the Placement Options will be issued to professional and sophisticated investors who are clients of Viriathus Capital. The recipients will be identified through a bookbuild process, which will involve Viriathus Capital seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;

- (c) the maximum number of Placement Options to be issued is 26,666,667. The terms and conditions of the Placement Options are set out in Schedule 3 ;
- (d) the Placement Options will be issued no later than 3 months 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 Placement Options will occur on the same date;
- (e) the Placement Options will be issued at a nil issue price, on the basis of one Option for every two Shares subscribed for and issued to the Placement Participants;
- (f) the Placement Options are not being issued under an agreement; and
- (g) the Placement Options are not being issued under, or to fund, a reverse takeover.

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## **10. RESOLUTION 8 – APPROVAL TO ISSUE OPTIONS TO SPP PARTICIPANTS**

### **10.1 General**

As set out in Section 6, eligible Shareholders who participate in the SPP will have the right to subscribe for one SPP Option for every two Shares subscribed for and issued under the SPP.

Resolution 8 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of up to 26,666,667 SPP Options.

As summarised in Section 4.1 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the SPP Options does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

### **10.2 Technical information required by Listing Rule 14.1A**

If Resolution 8 is passed, the Company will be able to proceed with the issue of the SPP Options. In addition, the issue of the SPP Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 8 is not passed, the Company will not be able to proceed with the issue of the SPP Options. If this occurs, the Company may consider alternative mechanisms to recompense eligible Shareholders who participate in the SPP.

Resolution 8 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the SPP Options.

### **10.3 Technical information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 8 :

- (a) the SPP Options will be issued to Shareholders with a registered address in Australia at the Record Date who elect to participate in the SPP (or their nominees) (the **SPP Participants**);
- (b) the SPP Options will be issued on the basis of one Option for every two Shares subscribed for and issued under the SPP. The Company anticipates that up to approximately 26,666,667 Options will be issued. The terms and conditions of the SPP Options are set out in Schedule 3 ;
- (c) the SPP Options will be issued no later than 3 months 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 SPP Options will occur on the same date;
- (d) the SPP Options will be issued at a nil issue price as the Options will be issued free attaching with the Shares issued under the SPP on a 1:2 basis;
- (e) the SPP Options are not being issued under an agreement; and
- (f) the SPP Options are not being issued under, or to fund, a reverse takeover.

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## 11. RESOLUTION 9 – APPROVAL FOR ISSUE OF SPP SHORTFALL SHARES

### 11.1 Background

As noted at Section 6, the Company is undertaking an SPP Offer.

In the event that less than \$1,000,000 is applied for under the SPP Offer by eligible Shareholders, the Directors will seek to place that number of Shares at an issue price of \$0.075 (**SPP Issue Price**) to raise up to \$1,000,000 when combined with the amount raised under the SPP Offer (**Shortfall Offer**) being, up to a maximum of 13,333,334 Shares.

The maximum amount raised under the Shortfall Offer will be \$1,000,000 less the amount raised under the SPP Offer (**Shortfall Raise Amount**). Assuming no funds are raised under the SPP Offer, the maximum number of Shares that will be issued under the Shortfall Offer is that number, which, when multiplied by the SPP Issue Price, equals \$1,000,000 (**Shortfall Offer Shares**) being, up to a maximum of 13,333,334 Shortfall Offer Shares.

Resolution 9 seeks Shareholder approval for the issue of the Shortfall Offer Shares under the Shortfall Offer.

### 11.2 General

As summarised in Section 4.1 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Shortfall Offer Shares does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

The effect of this Resolution will be to allow the Company to issue the Shares under the Shortfall Offer during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### 11.3 Technical information required by Listing Rule 14.1A

If Resolution 9 is passed, the Company will be able to proceed with the issue of the Shortfall Offer Shares. In addition, the issue of the Shortfall Offer Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 9 is not passed, the Company will not be able to proceed with the issue of the Shortfall Offer Shares.

Resolution 9 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Shortfall Offer Shares.

### 11.4 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 9:

- (i) the Shortfall Offer Shares will be issued to professional and sophisticated investors who will be identified by the Directors;
- (j) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;
- (k) a maximum number of Shares to be issued as Shortfall Offer is currently unknown, as the SPP Offer has not yet concluded. Accordingly, the maximum number of Shortfall Offer Shares to be issued is that number, which, when multiplied by the SPP Issue Price, equals the Shortfall Raise Amount being, up to a maximum of 13,333,334 Shares;
- (l) the Shortfall Offer Shares will be issued no later than 3 months 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 Shortfall Offer Shares will occur on the same date;
- (m) the issue price of the Shortfall Offer Shares will be \$0.075 per Shortfall Offer Share. The Company will not receive any other consideration for the issue of the Shortfall Offer Shares;
- (n) the purpose of the issue of the Shortfall Offer Shares is to ensure the Company is able to raise the full \$1,000,000 under the SPP Offer. The Company intends to apply the funds raised from the issue in accordance with the use of funds set out in Section 6.
- (o) the Shortfall Offer Shares are not being issued under an agreement; and
- (p) the Shortfall Offer Shares are not being issued under, or to fund, a reverse takeover.

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## 12. RESOLUTION 10 – APPROVAL TO ISSUE OPTIONS TO LEAD MANAGER

### 12.1 General

The Company is proposing to issue 1,000,000 Options in part consideration for lead manager services provided by Viriathus Capital (**Lead Manager Options**).

As summarised in Section 4.1 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Lead Manager Options does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

### 12.2 Technical information required by Listing Rule 14.1A

If Resolution 10 is passed, the Company will be able to proceed with the issue of the Lead Manager Options. In addition, the issue of the Lead Manager Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 10 is not passed, the Company will not be able to proceed with the issue of the Lead Manager Options. If this occurs, the Company may consider alternative mechanisms to recompense the Lead Manager.

Resolution 10 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Lead Manager Options.

### 12.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 10 :

- (a) the Lead Manager Options will be issued to Viriathus Capital Pty Ltd;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Lead Manager Options to be issued is 1,000,000. The terms and conditions of the Lead Manager Options are set out in Schedule 3 ;
- (d) the Lead Manager Options will be issued no later than 3 months 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 Lead Manager Options will occur on the same date;
- (e) the Lead Manager Options will be issued at a nil issue price, in consideration for lead manager services provided by Viriathus Capital;

- (f) the purpose of the issue of the Lead Manager Options is to satisfy the Company's obligations to pay Viriathus Capital under the lead manager mandate. A summary of the material terms of the lead manager mandate is set out in section 6;
- (g) the Lead Manager Options are being issued to Viriathus Capital under the lead manager mandate. A summary of the material terms of the lead manager mandate is set out in Section 6; and
- (h) the Lead Manager Options are not being issued under, or to fund, a reverse takeover.

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## 13. RESOLUTION 11 – ADOPTION OF INCENTIVE PERFORMANCE RIGHTS PLAN

### 13.1 General

Resolution 11 seeks Shareholder approval for the adoption of the employee incentive scheme titled "Incentive Performance Rights Plan" (**Performance Rights Plan**) and for the issue of Performance Rights under the Performance Rights Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Performance Rights Plan is to attract, motivate and retain key employees and the Company considers that the adoption of the Performance Rights Plan and the future issue of Performance Rights under the Performance Rights Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

As summarised in Section 4.1 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 11 is passed, the Company will be able to issue Performance Rights under the Performance Rights Plan to eligible participants over a period of 3 years. The issue of any Performance Rights to eligible participants under the Performance Rights Plan (up to the maximum number of Performance Rights stated in Section 13.2(c) below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of Performance Rights under the Plan to a related party or a person whose relationship with the company or the related party is, in ASX's opinion, such that approval should be obtained.

If Resolution 11 is not passed, the Company will be able to proceed with the issue of Performance Rights under the Performance Rights Plan to eligible participants, but any issues of Performance Rights will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the Performance Rights.

### 13.2 Technical information required by Listing Rule 7.2 (Exception 13)

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 11 :

- (a) a summary of the key terms and conditions of the Performance Rights Plan is set out in Schedule 4;
- (b) the Company has not issued any Performance Rights under the Performance Rights Plan as this is the first time that Shareholder approval is being sought for the adoption of the Performance Rights Plan; and
- (c) the maximum number of Securities proposed to be issued under the Performance Rights Plan, following Shareholder approval, is 21,397,131. It is not envisaged that the maximum number of Securities for which approval is sought will be issued immediately.

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## 14. RESOLUTIONS 12 TO ERROR! REFERENCE SOURCE NOT FOUND.– ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO DIRECTORS

### 14.1 General

The Company has agreed, subject to obtaining Shareholder approval and to the adoption of the Performance Rights Plan (refer Resolution 11 ), to issue 12,500,000 Performance Rights to Jude Upton, Li Chen and Steven Apedaile (or their nominees) (**Related Parties**) pursuant to the Incentive Performance Rights Plan (**Performance Rights Plan**) and on the terms and conditions set out below (**Incentive Performance Rights**).

### 14.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that 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 the Incentive Performance Rights to the Related Parties constitutes giving a financial benefit and each of the Related Parties is a related party of the Company by virtue of being a Director.

As the Incentive Performance Rights are proposed to be issued to all of the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Incentive Performance Rights. Accordingly, Shareholder approval for

the issue of Incentive Performance Rights to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

### **14.3 Listing Rule 10.14**

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- 10.14.1 a director of the entity;
- 10.14.2 an associate of a director of the entity; or
- 10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Incentive Performance Rights to the Related Parties falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 12 to 14 seek the required Shareholder approval for the issue of the Incentive Performance Rights under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14.

### **14.4 Technical information required by Listing Rule 14.1A**

If Resolutions 12 to 14 are passed, the Company will be able to proceed with the issue of the Incentive Performance Rights to the Related Parties under the Performance Rights Plan within three years 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 Incentive Performance Rights (because approval is being obtained under Listing Rule 10.14), the issue of the Incentive Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolutions 12 to 14 are not passed, the Company will not be able to proceed with the issue of the Incentive Performance Rights to the Related Parties under the Performance Rights Plan.

### **14.5 Technical information required by Listing Rule 10.15 and section 219 of the Corporations Act**

Pursuant to and in accordance with the requirements of Listing Rule 10.15 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 12 to 14:

- (a) the Incentive Performance Rights will be issued to the following persons:
  - (i) Jude Upton (or their nominee) pursuant to Resolution 12 ;
  - (ii) Li Chen (or their nominee) pursuant to Resolution 13 ; and
  - (iii) Steven Apedaile (or their nominee) pursuant to Resolution 14

each of whom falls within the category set out in Listing Rule 10.14.1 by virtue of being a Director;

- (b) the maximum number of Incentive Performance Rights to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is 12,500,000 comprising:
- (i) 5,000,000 Incentive Performance Rights to Jude Upton (or his nominee) pursuant to Resolution 12 ;
  - (ii) 5,000,000 Incentive Performance Rights to Li Chen (or his nominee) pursuant to Resolution 13 ; and
  - (iii) 2,500,000 Incentive Performance Rights to Steven Apedaile (or his nominee) pursuant to Resolution 14
- (c) as this is the first time that the Shareholder approval is being sought for the adoption of the Performance Rights Plan, no Performance Rights have been previously issued under the Performance Rights Plan;
- (d) a summary of the material terms and conditions of the Incentive Performance Rights is set out in Schedule 5 ;
- (e) the Incentive Performance Rights are unquoted securities. The Company has chosen to issue Incentive Performance Rights to the Related Parties for the following reasons:
- (i) the Incentive Performance Rights are unquoted; therefore, the issue of the Incentive Performance Rights has no immediate dilutionary impact on Shareholders;
  - (ii) the milestones attaching to the Incentive Performance Rights will align the interests of the Related Parties with those of Shareholders; and
  - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Performance Rights on the terms proposed;
- (f) the number of Incentive Performance Rights to be issued to each of the Related Parties has been determined based upon a consideration of:
- (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
  - (ii) the remuneration of the Related Parties; and
  - (iii) incentives to attract and ensure continuity of service/retain the service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.
- The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Performance Rights upon the terms proposed;
- (g) the total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Related Party	Current Financial Year (\$)	Previous Financial Year (\$)
Jude Upton	389,506 <sup>1</sup>	50,000
Li Chen	189,506 <sup>2</sup>	8,333
Steven Apedaile	114,753 <sup>3</sup>	8,333

**Notes:**

1. Comprising Directors' fees/salary of \$240,000, and share-based payments of \$149,506 (being the value of the Incentive Performance Rights amortised to the expected achievement date).
  2. Comprising Directors' fees/salary of \$40,000 and share-based payments of \$149,506 (being the value of the Incentive Performance Rights amortised to the expected achievement date).
  3. Comprising Directors' fees/salary of \$40,000 and share-based payments of \$74,753 (being the value of the Incentive Performance Rights amortised to the expected achievement date).
- (h) the Company values the Incentive Performance Rights at \$937,500 (being \$0.075 per Incentive Performance Right). The basis for the value attributions to the Incentive Performance Rights is set out in Schedule 6 ;
- (i) the Incentive Performance Rights will be issued to the Related Parties no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Incentive Performance Rights will be issued on one date;
- (j) the issue price of the Incentive Performance Rights will be nil, as such no funds will be raised from the issue of the Incentive Performance Rights;
- (k) the purpose of the issue of the Incentive Performance Rights is to provide a performance linked incentive component in the remuneration package for the Related Parties to align the interests of the Related Parties with those of Shareholders, to motivate and reward the performance of the Related Parties in their roles as Directors and to provide a cost effective way from the Company to remunerate the Related Parties, which will allow 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 the Related Parties;
- (l) no loans are being made to the Related Parties in connection with the acquisition of the Incentive Performance Rights;
- (m) details of any Performance Rights issued under the Performance Rights Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (n) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Performance Rights Plan after Resolution 11 is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14;
- (o) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares <sup>1</sup>	Options
Jude Upton	47,844	Nil
Li Chen	7,034,883	Nil
Steven Apedaile	2,717,588	Nil

**Notes:**

1. Fully paid ordinary shares in the capital of the Company (ASX: SIX).
- (p) if the milestones attaching to the Incentive Performance Rights issued to the Related Parties are met and the Incentive Performance Rights are converted, a total of 12,500,000 Shares would be issued. This will increase the number of Shares on issue from 234,380,988 (being the total number of Shares on issue as at the date of this Notice) to 246,880,988 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 6.01%, comprising 2% by Jude Upton, 2% by Li Chen and 1% by Steven Apedaile;
- (q) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.135	14 September 2021
Lowest	\$0.06	28 May 2021, 26 August 2021, 2 September 2021
Last	\$0.081	28 October 2021

- (r) each Director has a material personal interest in the outcome of Resolutions 12 to 14 on the basis that all of the Directors (or their nominees) are to be issued Incentive Performance Rights should Resolutions 12 to 14 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 12 to 14 of this Notice; and
- (s) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 12 to 14.

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## 15. RESOLUTION 15 – APPROVAL OF 7.1A MANDATE

### 15.1 General

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

However, under 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 \$15 million (based on the number of Shares on issue and the closing price of Shares on the ASX on 9 October 2021).

Resolution 15 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.

If Resolution 15 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 15 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.

## **15.2 Technical information required by Listing Rule 7.1A**

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 15:

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

The 7.1A Mandate will commence on the date of the Meeting and expire 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 at a minimum price of 75% of the volume weighted average price of Equity Securities in that 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 by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 15.2(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 establishment of its production facility in

China, inventory build, compressor product development, working capital and general expenses.

(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 15 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 Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue or proposed to be issued as at 5 October 2021.

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)		Shares issued – 10% voting dilution	Dilution			
			Issue Price			
			\$0.037	\$0.073	\$0.11	
			50% decrease	Issue Price	50% increase	
				Funds Raised		
<b>Current</b>	267,304,668 Shares	26,730,466 Shares	\$989,027	\$1,951,324	\$2,940,351	
<b>50% increase</b>	400,957,002 Shares	40,095,700 Shares	\$1,483,540	\$2,926,986	\$4,410,527	
<b>100% increase</b>	534,609,336 Shares	53,460,933 Shares	\$1,978,054	\$3,902,648	\$5,880,702	

\*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 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:**

- There are currently 267,304,668 Shares on issue comprising:
  - 234,380,988 existing Shares as at the date of this Notice of Meeting; and
  - 32,923,680 Shares which will be issued if Resolution 6 is passed at this Meeting
- The issue price set out above is the closing market price of the Shares on the ASX on 8 November 2021 being \$0.0730.
- The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
- The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of

the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

6. 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.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
8. 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%.
9. 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 Listing Rule 7.1A**

The Company did not obtain approval under Listing Rule 7.1A at its annual general meeting held on 21 December 2020. Accordingly, the Company has not issued any Equity Securities under Listing Rule 7.1A.2 in the twelve months preceding the date of the Meeting.

### **15.3 Voting Exclusion Statement**

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.

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## GLOSSARY

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**\$** means Australian dollars.

**7.1A Mandate** has the meaning given in Section 15.1.

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

**ASIC** means the Australian Securities & Investments Commission.

**Associated Body Corporate** means

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

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

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

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**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) a dependent of the member or the member's spouse;
- (d) 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;
- (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 Sprintex Limited (ACN 106 337 599).

**Constitution** means the Company's constitution.

**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.

**Performance Right** means a right to acquire a Share, subject to satisfaction of any vesting conditions.

**Performance Rights Plan** means the incentive performance rights plan to be adopted by the Company, being the subject of Resolution 11 as summarised in Schedule 4.

**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 30 June 2021.

**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.

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

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## SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

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(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be:

- (i) 3,000,000 Options exercisable at \$0.086 per Option; and
- (ii) 2,000,000 Options exercisable at \$0.15 if the Company traded at a minimum VWAP of \$0.15 over 5 consecutive trading days

**(Exercise Price)**

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 19 May 2024 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

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

(f) **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 Option being exercised in cleared funds (**Exercise Date**).

(g) **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 Options 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 Options.

If a notice delivered under (g)(i) 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.

(h) **Shares issued on exercise**

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

(i) **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.

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

## SCHEDULE 2 – TERMS AND CONDITIONS OF THE INVESTOR RELATIONS AGREEMENT

A summary of the key terms and conditions of the Investor Relations Agreement is set out below:

<b>Scope of Work/Services</b>	MMR Corporate agreed to act as exclusive advisor to provide investor and media relations services to promote the Company's development.
<b>Term</b>	The engagement commenced on 21 April 2021 ( <b>Commencement Date</b> ) and will continue for a period of twelve (12) months.
<b>Fees</b>	<p>Under the terms of this engagement, the Company will pay or issue MMR Corporate:</p> <ul style="list-style-type: none"> <li>(a) from 1 May 2021, a media and IR fee of \$4,000 per month;</li> <li>(b) 3,000,000 sign-on options exercisable at \$0.086 within three (3) years from the date of issue; and</li> <li>(c) 2,000,000 success options exercisable at \$0.15 within three (3) years from the date of issue, vesting upon the Company's Fully Paid Ordinary Shares having traded at a minimum VWAP of \$0.15 over 5 consecutive trading days.</li> </ul> <p>In addition, on each twelve-month anniversary of the Commencement date all fees expressed in fixed dollar terms will increase by 10%.</p>
<b>Expenses</b>	The Company agreed to reimburse MMR Corporate for all reasonable expenses properly incurred in relation to the engagement of MMR Corporate under the Agreement.
<b>Termination</b>	<p>The Agreement may be terminated by:</p> <ul style="list-style-type: none"> <li>(a) providing three (3) months written notice at the conclusion of the term; or</li> <li>(b) immediate effect by the Company giving written notice to MMR Corporate if MMR Corporate: <ul style="list-style-type: none"> <li>(i) commits a breach which is not rectifiable;</li> <li>(ii) fails to rectify a rectifiable breach with 30 days after receiving written notice from the Company of the breach; or</li> <li>(iii) is guilty of serious misconduct or any other conduct which adversely affects the interests of the Company.</li> </ul> </li> </ul>

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## SCHEDULE 3 – TERMS AND CONDITIONS OF THE PLACEMENT OPTIONS, SPP OPTIONS AND LEAD MANAGER OPTIONS

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(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.10 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on or before one (1) year from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

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

(f) **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 Option being exercised in cleared funds (**Exercise Date**).

(g) **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 Options 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 Options.

If a notice delivered under (g)(g)(i) 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.

(h) **Shares issued on exercise**

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

(i) **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.

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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## **SCHEDULE 4 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS PLAN**

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The material terms and conditions of the Incentive Performance Rights Plan (**Performance Rights Plan**) are summarised below:

(a) **Eligibility**

Participants in the Performance Rights Plan may be:

- (i) a Director (whether executive or non-executive) of the Company or any Associated Body Corporate of the Company (each, a **Group Company**);
- (ii) a full or part time employee of any Group Company;
- (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (Class Order); or
- (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,

who is declared by the Board to be eligible to receive grants of Performance Rights under the Performance Rights Plan (**Eligible Participant**).

(b) **Offer**

The Board may, from time to time, at its absolute discretion, make a written offer to any Eligible Participant to apply for Performance Rights, upon the terms set out in the Performance Rights Plan and upon such additional terms and conditions as the Board determines.

(c) **Plan limit**

The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Performance Rights offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 10% of the total number of Shares on issue at the date of the offer.

(d) **Consideration**

Performance Rights granted under the Performance Rights Plan will be issued for nil cash consideration.

(e) **Vesting conditions**

A Performance Right may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Performance Right (**Vesting Conditions**).

(f) **Vesting**

The Board may in its absolute discretion (except in respect of a change of control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Performance Rights have been granted under the Performance Rights Plan or their nominee where the Performance Rights have been granted to the nominee of the Eligible Participant (**Relevant Person**)), resolve to waive any of the Vesting Conditions applying to Performance Rights due to:

- (i) special circumstances arising in relation to a Relevant Person in respect of those Performance Rights, being:
  - (A) a Relevant Person ceasing to be an Eligible Participant due to:
    - (I) death or total or permanent disability of a Relevant Person; or
    - (II) retirement or redundancy of a Relevant Person;
  - (B) a Relevant Person suffering severe financial hardship;
  - (C) any other circumstance stated to constitute "special circumstances" in the terms of the relevant offer made to and accepted by the Participant; or
  - (D) any other circumstances determined by the Board at any time (whether before or after the offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant,  
  
(**Special Circumstances**), or
- (ii) a change of control occurring; or
- (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.

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

A Performance Right will lapse upon the earlier to occur of:

- (i) an unauthorised dealing in, or hedging of, the Performance Right occurring;
- (ii) a Vesting Condition in relation to the Performance Right is not satisfied by its due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the Vesting Condition and vest the Performance Right in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Performance Rights to remain unvested after the Relevant Person ceases to be an Eligible Participant;
- (iii) in respect of unvested Performance Right only, a Relevant Person ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Performance Right in the circumstances set out in paragraph (f)

or the Board resolves, in its absolute discretion, to allow the unvested Performance Rights to remain unvested after the Relevant Person ceases to be an Eligible Participant;

- (iv) in respect of vested Performance Rights only, a Relevant Person ceases to be an Eligible Participant and the Performance Rights granted in respect of that Relevant Person are not exercised within one (1) month (or such later date as the Board determines) of the date that Relevant Person ceases to be an Eligible Participant;
- (v) the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
- (vi) the Company undergoes a change of control or a winding up resolution or order is made, and the Board does not exercise its discretion to vest the Performance Right; and
- (vii) the expiry date of the Performance Rights.

(h) **Not transferrable**

Subject to the Listing Rules, and except as otherwise provided for by an offer, Performance Rights are only transferrable in Special Circumstances with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death, to the Participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.

(i) **Shares**

Shares resulting from the vesting of the Performance Rights shall, subject to any sale restrictions (refer to paragraph (j) from the date of issue, rank on equal terms with all other Shares on issue.

(j) **Sale restrictions**

The Board may, in its discretion, determine at any time up until exercise of Performance Rights, that a restriction period will apply to some or all of the Shares issued to a Participant on exercise of those Performance Rights (**Restriction Period**). In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such Restriction Period.

(k) **Quotation of Shares**

If Shares of the same class as those issued under the Performance Rights Plan are quoted on the ASX, the Company will, subject to the Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 5 business days of the later of the date the Shares are issued and the date any Restriction Period applying to the Shares ends. The Company will not apply for quotation of any Performance Rights on the ASX.

(l) **No participation rights**

There are no participation rights or entitlements inherent in the Performance Rights and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights without exercising the Performance Right.

(m) **No change**

A Performance Right does not confer the right to a change in the number of underlying Shares over which the Performance Right can be exercised.

(n) **Reorganisation**

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

(o) **Amendments**

Subject to express restrictions set out in the Performance Rights Plan and complying with the Corporations Act, Listing Rules and any other applicable law, the Board may, at any time, by resolution amend or add to all or any of the provisions of the Performance Rights Plan, or the terms or conditions of any Performance Rights granted under the Performance Rights Plan including giving any amendment retrospective effect.

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## **SCHEDULE 5 – TERMS AND CONDITIONS OF INCENTIVE PERFORMANCE RIGHTS**

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### **1. Terms of Performance Rights**

#### **(a) Milestones**

The Performance Rights shall convert to Shares upon the Company achieving the applicable Milestone for that Class of Rights, prior to the applicable expiry date of that Class of Rights.

The Milestones and expiry dates for each Class of Rights is set out in section 2 below.

#### **(b) Notification to holder**

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

#### **(c) Conversion**

Subject to paragraph (m), upon vesting, each Performance Right will, at the election of the holder, convert into one (1) Share.

#### **(d) Share ranking**

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

#### **(e) Application to ASX**

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

#### **(f) Transfer of Performance Rights**

The Performance Rights are not transferable.

#### **(g) Lapse of a Performance Right**

If the Milestone attached to the relevant Performance Right has not been satisfied within the time period set out in paragraph (a), the relevant Performance Rights will automatically lapse.

#### **(h) 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.

#### **(i) Reorganisation of capital**

If at any time the issued capital of the Company is reconstructed, 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.

(j) **Adjustment for bonus issue**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares or other securities which must be issued on the conversion of a Performance Right will be increased by the number of Shares or other securities which the holder would have received if the holder had converted the Performance Right before the record date for the bonus issue.

(k) **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.

(l) **Change in Control**

Subject to paragraph (m), upon:

- (i) a 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.
- (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

then, to the extent Performance Rights have not converted into Shares due to satisfaction of the Milestone, Performance Rights will accelerate vesting conditions and will automatically convert into Shares on a one-for-one basis.

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

If the conversion of a Performance Right under paragraph (c) or (l) 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 (m)(i) within seven 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.

(n) **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.

(o) **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.

(p) **No other rights**

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

## 2. **Conversion of the Performance Rights**

(a) **Milestones**

Subject to sub-paragraph (b):

- (i) 50% of the Performance Rights will vest and be convertible into one (1) Share on the achievement of \$10,000,000 of annual revenue by 30 June 2023 (validated by audited/reviewed financial reports); and
- (ii) 50% of the Performance Rights will vest and be convertible into one (1) Share on the achievement of Profitability by 30 June 2023 (validated by audited/reviewed financial reports)

(Each referred to as a **Milestone**).

For the avoidance of doubt, all calculations for the purposes of satisfying the Milestones will be based on the relevant accounting standards and will exclude:

- (i) one off or extraordinary revenue items;
- (ii) revenue received in the form of government grants, allowances, rebates or other hand-outs; and
- (iii) revenue or profit that has been manufactured to achieve the Milestone.

(b) **Conversion of Performance Rights**

- (i) Subject to paragraph (b)(ii) below, in the event a Milestone is satisfied, the Performance Rights held by the holders will convert into an equal number of the Company Shares. If the holder provides the Company with:

- (A) the certificate for the Performance Rights or, if the certificate for the Performance Rights has been lost, mutilated or destroyed, a declaration to that effect, accompanied by an indemnity in favour of the Company against any loss, costs or expenses which might be incurred by the Company as a consequence of its relying on the declaration that the certificate has been lost, mutilated or destroyed; and
  - (B) a notice in the form provided in the incentive performance rights plan addressed to the Company and signed by the Participant stating that the Participant request to convert the Performance Rights and specifying the number of Performance Rights which are to be converted.
- (ii) If the exercise of the Performance Rights into the Company Shares would result in the holder being in contravention of section 606(1) of the Corporations Act, then the conversion of such number of Performance Rights that would cause the contravention will be deferred until such time or times thereafter the conversion would not result in such a breach.

(c) **No Conversion if Milestone not Achieved**

To the extent that:

- (i) the Performance Rights have not converted into Shares on or before the date which is five (5) years from the Issue Date (**Expiry Date**), then all such unconverted Performance Rights will automatically consolidate into one Performance Right and will then convert into one Share; and
- (ii) the Performance Rights have not converted into Shares on or before the Expiry Date, then all such unconverted Performance Rights will automatically consolidate into one Performance Right and will then convert into one Share.

(d) **After Conversion**

The Shares issued on conversion of the Performance Rights will, as and from 5:00pm (WST) on the date of issue, rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.

(e) **Conversion Procedure**

The Company will issue the holders with a new holding statement for the Shares as soon as practicable following the conversion of the Performance Rights into Shares.

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## SCHEDULE 6 – VALUATION OF INCENTIVE PERFORMANCE RIGHTS

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The Incentive Performance Rights to be issued to the Related Parties pursuant to Resolutions 12 to 14 have been valued by internal management, being the value of fully paid ordinary shares in the Company quoted on the Australian Securities Exchange Limited on 19 October 2021 of \$0.075.

<b>Assumptions:</b>	
Valuation date	19 October 2021
Market price of Shares	\$0.075
Expiry date (length of time from issue)	30 June 2023
<b>Indicative value per Incentive Option</b>	\$0.075
<b>Total Value of Incentive Options to be issued</b>	937,500

**Note:** The valuation is not necessarily the market price that the Incentive Performance Rights could be traded at and is not automatically the market price for taxation purposes.