

LETTER TO SHAREHOLDERS REGARDING GENERAL MEETING

Dear Shareholder

ENRG Elements Limited (**Company**) will be holding a general meeting at 10:00am (WST) on Thursday, 23 January 2025 (**Meeting**) at the offices of Source Governance, Level 39, Central Park, 152-158 St Georges Terrace, Perth WA 6000.

In accordance with section 110D(1) of the Corporations Act 2001 (Cth), the Company will not be sending hard copies of the Notice of Meeting to shareholders, unless the shareholder has made a valid election to receive such documents in hard copy. The Notice of Meeting can be viewed and downloaded from the website link:

<https://enrg-elements.com.au/investor-centre/#asx-announcement>

If you have nominated an email address and have elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the Notice of Meeting.

A copy of your personalised proxy form is enclosed for your convenience. Please complete and return the attached proxy form to the Company's share registry, Automic Group Pty Ltd by:

post to: Automic
GPO Box 5193
Sydney NSW 2001

email to: meetings@automicgroup.com.au

in person: Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

facsimile to: +61 2 8583 3040

Proxy votes may also be lodged online using the following link:

<https://investor.automic.com.au/#/loginsah>

Your proxy voting instruction must be received by 10:00am (WST) on Tuesday, 21 January 2025, being not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting.

The Notice of Meeting is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser. If you have any difficulties obtaining a copy of the Notice of Meeting please contact the Company's share registry, Automic Group Pty Ltd on, 1300 288 664 (within Australia) or +61 2 9698 5414 (overseas).

The Company strongly encourages all Shareholders to submit their directed proxy votes in advance of the Meeting. If there is any impact on the proposed arrangements for the Meeting, the Company will advise Shareholders by way of announcement on ASX and the details will also be made available on our website at: <https://enrg-elements.com.au/>.

Authorised by the Board of ENRG Elements Limited.

FOR FURTHER INFORMATION PLEASE CONTACT:

Natalie Teo

Company Secretary
ENRG Elements Limited
+61 8 6263 4400

info@enrg-elements.com
www.enrg-elements.com.au

- END -

ENRG ELEMENTS LIMITED**ACN 149 230 811****NOTICE OF GENERAL MEETING**

Notice is given that the Meeting will be held at:

TIME: 10:00am (WST)

DATE: Thursday, 23 January 2025

PLACE: Source Governance
Level 39, 152-158 St Georges Terrace,
Perth, Western Australia 6000

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 4:00pm (WST) on Tuesday, 21 January 2025.

IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at Source Governance, Level 39, 152-158 St Georges Terrace, Perth, Western Australia 6000 on Thursday, 23 January 2025 at 10:00am (WST).

Your vote is important

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

Voting in person

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

Voting by proxy

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

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

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 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.

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

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

Transfer of non-chair proxy to chair in certain circumstances: Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and

- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting. Your proxy voting instruction must be received by 10:00am (WST) on Tuesday, 21 January 2025, being not later than 48 hours before the commencement 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 6263 4451.

Chair's voting intentions

Subject to the below, the Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention. In exceptional circumstances, the Chair of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.

If the Chair is your proxy, either by appointment or by default, and you have not indicated your voting intention, you expressly authorise the Chair to exercise the proxy in respect of Resolution 3 to 5 (inclusive) even though these Resolutions are connected directly or indirectly with the remuneration of the Company's Key Management Personnel.

If the Chair is a person referred to in the voting prohibition statement applicable to a Resolution (under section 224 of the Corporations Act), the Chair will only be able to cast a vote as proxy for you on the relevant Resolution if you are entitled to vote and have specified your voting intention in the Proxy Form.

Submitting questions

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at natalie.teo@sourceservices.com.au by Friday, 17 January 2025.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF ISSUE OF PLACEMENT SHARES

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

“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 118,000,000 Placement Shares issued under Listing Rule 7.1 on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of any person who participated in the issue of the Placement Shares, or any of their respective associates.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on 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.

2. RESOLUTON 2 – APPROVAL TO ISSUE LEAD MANAGER OPTIONS

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

“That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 20,900,320 Lead Manager Options to Mahe Capital Pty Ltd (or its nominees) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mahe Capital Pty Ltd (or its nominees) and any other person who will obtain a material benefit as a result of the issue of the Lead Manager Options (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

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

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

3. RESOLUTION 3 – APPROVAL TO ISSUE DIRECTOR OPTIONS TO DIRECTOR – JAMES EGGINS

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

“That, pursuant to and in accordance with Listing Rule 10.14, sections 195(4) and 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 40,000,000 Director Options to James Eggins (and/or his nominees) under the Company’s Plan, on the terms and conditions in the Explanatory Statement.”

Please see Item 6 below for details on the voting exclusion and voting prohibition applicable to this Resolution.

4. RESOLUTION 4 – APPROVAL TO ISSUE DIRECTOR OPTIONS TO DIRECTOR – QUINTON DE KLERK

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

“That, pursuant to and in accordance with Listing Rule 10.14, sections 195(4) and 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 30,000,000 Director Options to Quinton de Klerk (and/or his nominees) under the Company’s Plan, on the terms and conditions in the Explanatory Statement.”

Please see Item 6 below for details on the voting exclusion and voting prohibition applicable to this Resolution.

5. RESOLUTION 5 – APPROVAL TO ISSUE DIRECTOR OPTIONS TO DIRECTOR – CAROLINE KEATS

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

“That, pursuant to and in accordance with Listing Rule 10.14, sections 195(4) and 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 60,000,000 Director Options to Caroline Keats (and/or her nominees) under the Company’s Plan, on the terms and conditions in the Explanatory Statement.”

Please see Item 6 below for details on the voting exclusion and voting prohibition applicable to this Resolution.

6. VOTING EXCLUSIONS AND VOTING PROHIBITIONS FOR RESOLUTION 3 TO 5

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

- (a) Resolution 3: by or on behalf of James Eggins (and/or his nominees), and any person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan, or any of their respective associates.
- (b) Resolution 4: by or on behalf of Quinton De Klerk (and/or his nominees), and any person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan, or any of their respective associates.
- (c) Resolution 5: by or on behalf of Caroline Keats (and/or her nominees), and any person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan, or any of their respective associates.

However, the above voting exclusions do not apply to a vote cast in favour of Resolutions 3 to 5 (inclusive) by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in the 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.

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 Resolution 3 to 5 (inclusive) if:

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

However, the above prohibition does not apply if:

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

Further, in accordance with section 224 of the Corporations Act, a vote on Resolution 3 to 5 (inclusive) 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.

However, the above prohibition does not apply if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast 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.

Please note: If the Chair is a person referred to in the section 224 Corporations Act voting prohibition statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the relevant Resolution.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

Dated: 23 December 2024

By order of the Board



Natalie Teo
Company Secretary

EXPLANATORY STATEMENT

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

1. RESOLUTION 1 – RATIFICATION OF ISSUE OF PLACEMENT SHARES

1.1 General

On 25 October 2024, the Company announced that it was undertaking a capital raising comprising a 2-for-1 pro rata renounceable entitlement offer of up to 2,090,031,968 Shares at \$0.001 per Share to raise approximately \$2.1 million before costs (**Entitlement Offer**), alongside a private placement of 118,000,000 Shares (**Placement Shares**) at the same offer price as the Shares offered under the Entitlement Offer to raise an additional \$118,000 before costs (**Placement**).

Funds raised under the Entitlement Offer and Placement have and will be used to enable the Company to undertake exploration work on the Company's projects, conduct technical assessment of other projects, defray costs of the Entitlement Offer and Placement and for general corporate and working capital.

Completion of the Placement occurred on 31 October 2024 and the Company issued 118,000,000 Placement Shares to sophisticated and professional investors (**Placement Participants**) without prior Shareholder approving using the Company's available placement capacity under Listing Rule 7.1.

Resolution 1 is an ordinary resolution and seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Placement Shares.

1.2 Listing Rule 7.1

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.

The issue of the 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, effectively uses up part of the 15% placement limit under 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 issue of the Placement Shares.

1.3 Listing Rule 7.4

Listing Rule 7.4 allows 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 be 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 effect of Shareholders passing Resolution 1 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

1.4 Technical information required by Listing Rule 14.1A

If Resolution 1 is passed, 118,000,000 Placement Shares will be excluded from calculating the Company's 15% limit under Listing Rule 7.1, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval over the 12-month period following the date of their issue.

If Resolution 1 is not passed, 118,000,000 Placement Shares will continue to be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities that the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 118,000,000 Equity Securities over the 12-month period following the date of issue of the Placement Shares.

1.5 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 the ratification of the issue of the Placement Shares:

- (a) The Placement Shares were issued to the Placement Participants who are clients of Mahe Capital Pty Ltd (**Mahe**) acting as lead manager to the Placement, none of whom is a related party of the Company or a Material Investor except as noted below.

Mahe Capital Investments Pty Ltd, an associate of Mahe, subscribed for and was issued 78,000,000 Placement Shares under the Placement which constituted more than 1% of the Company's capital structure at the time of issue.
- (b) A total of 118,000,000 Placement Shares were issued on 31 October 2024 using the Company's available placement capacity under Listing Rule 7.1.
- (c) The Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Placement Shares were issued for an issue price of \$0.001 per Placement Share.
- (e) The proceeds from the issue of the Placement Shares have been or are intended to be applied towards costs of the Placement and general working capital.
- (f) There are no other material terms to the agreement for the subscription of the Placement Shares.
- (g) A voting exclusion statement is included in this Notice.

1.6 Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 1.

2. RESOLUTION 2 – APPROVAL TO ISSUE LEAD MANAGER OPTIONS

2.1 General

Mahe and the Company entered into a lead manager mandate, pursuant to which Mahe was appointed to act as Lead Manager to the Entitlement Offer, details of which are set out in Section 1.1 above (**Mandate**).

Under the Mandate and subject to Shareholder approval, the Company has agreed to issue Mahe (or its nominees) 20,900,320 unquoted Options exercisable at \$0.004 each on or before the date that is 3 years from the date of issue and otherwise subject to the terms and conditions in Schedule 1 (**Lead Manager Options**). The number of Lead Manager Options is calculated on the basis of 10 Options for every \$1.00 raised under the Offers and, as announced on 22 November 2024, the Company raised a total of \$2,090,032 (before costs) under the Offers.

Resolution 2 is an ordinary resolution and seeks the approval of Shareholders pursuant to Listing Rule 7.1 to approve the issue of the Lead Manager Options.

2.2 Summary of material terms of the Mandate

Pursuant to the Mandate, the Company will pay Mahe (or its nominees) the following:

- (a) a cash fee of \$60,000 (exclusive of GST);
- (b) an amount equal to 1% of funds raised under the Offers;
- (c) an amount equal to 5% of funds raised under the Shortfall Offer, including any additional amount that might be placed under the Company's Listing Rule 7.1 and 7.1A placement capacity (if applicable); and
- (d) subject to Shareholder approval, up to approximately 20,900,320 Lead Manager Options, on the basis of 10 Options for every \$1.00 raised under the Offers.

The fees set out in items (a), (b) and (c) above were paid to Mahe in cash at completion of the Offers.

If Shareholders do not approve the issue of the Lead Manager Options at the Meeting, the Company will pay to Mahe the equivalent value of the Lead Manager Options in cash (**Cash Value**). The Cash Value will be calculated by multiplying the number of the Lead Manager Options by the calculated value of each Lead Manager Option using the Black & Scholes option valuation formula based on agreed variables.

The Mandate contains additional provisions, including warranties and indemnities in respect of the Company, which are considered standard for agreements of this nature.

2.3 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 1.2 above.

The effect of Shareholders passing Resolution 2 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% placement capacity set out in Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

2.4 Technical information required by Listing Rule 14.1A

If Resolution 2 is passed, the Company will be able to proceed with the issue of up to 20,900,320 Lead Manager Options.

If Resolution 2 is not passed, the Company will be unable to proceed with the issue of the Lead Manager Options and will instead be required to pay the Cash Value to Mahe using funds from its existing cash reserves.

2.5 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 the proposed issue of the Lead Manager Options:

- (a) The Lead Manager Options will be issued to Mahe (or its nominees), none of whom is a related party of the Company or a Material Investor.
- (b) A maximum of 20,900,320 Lead Manager Options will be issued.
- (c) The Lead Manager Options will be unquoted Options exercisable at \$0.004 each and expiring 3 years from date of issue. The Lead Manager Options are otherwise subject to the terms and conditions in Schedule 1.
- (d) The Lead Manager Options will be issued no later than 3 months after the date of the Meeting (or other such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (e) The Lead Manager Options will be issued for nil cash consideration as they are being issued as part consideration for the provision of lead manager services by Mahe under the Mandate. Accordingly, no funds will be raised from the issue of the Lead Manager Options.
- (f) A summary of the material terms of the Mandate, pursuant to which the Lead Manager Options will be issued is set out in Section 2.2 above.
- (g) A voting exclusion statement is included in this Notice.

2.6 Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 2.

3. RESOLUTIONS 3 TO 5 (INCLUSIVE) – APPROVAL TO ISSUE DIRECTOR OPTIONS TO DIRECTORS

3.1 Background

The Company is proposing, subject to obtaining Shareholder approval, to issue up to a total of 130,000,000 unquoted Options exercisable at \$0.004 and expiring 5 years from the date of issue (**Director Options**) to Directors, James Eggins, Quinton de Klerk and Caroline Keats, pursuant to the Company's Plan.

The Company has carefully considered key projects and business objectives and believes that offering the Director Options is an appropriate method of linking the Company's current remuneration and incentive structure to align with the efforts of Directors in seeking to achieve growth of the Share price and in the creation of

Shareholder value. In addition, the Board also believes that incentivising with Director Options is a prudent means of conserving the Company's available cash reserves.

Resolutions 3 to 5 (inclusive) are ordinary resolutions and seek the approval of Shareholders pursuant to ASX Listing Rule 10.14 and sections 195(4) and 208 of the Corporations Act for the issue of the Director Options under the Plan to the Directors (and/or their respective nominees).

3.2 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 its Shareholders:

- (a) a director of the entity (Listing Rule 10.14.1);
- (a) an associate of a person referred to in Listing Rule 10.14.1 (Listing Rule 10.14.2); and
- (b) a person whose relationship with the entity or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by Shareholders.

The proposed issue of the Director Options falls within Listing Rule 10.14.1 (or Listing Rule 10.14.2 if a Director elects for the Director Options to be issued to their nominee) and therefore requires the approval of Shareholders under Listing Rule 10.14.

Approval pursuant to Listing Rule 7.1 is not required for the issue of Director Options as approval is being obtained under Listing Rule 10.14. Accordingly, the issue of Director Options to the Directors (and/or their respective nominees) will not be included in the Company's 15% annual placement capacity in Listing Rule 7.1 or the maximum permitted number of Equity Securities issued under Listing Rule 7.2, exception 13(b).

The effect of Shareholders passing Resolution 3 to 5 (inclusive) will be to allow the Company to issue the Director Options to the Directors (and/or their respective nominees) as part of their remuneration package and in the proportions listed in Section 3.4(c) below.

3.3 Technical information required by Listing Rule 14.1A

If any or all of Resolutions 3 to 5 (inclusive) are passed, the Company will be able to proceed with the issue and the relevant Director (and/or their nominees) will be issued the Director Options under that Resolution.

If any or all of Resolutions 3 to 5 (inclusive) are not passed, the Company will not be able to proceed with the issue and the relevant Director (and/or their nominee) will not be issued the Director Options under that Resolution and the Company will look for alternative forms to incentivise the Director in the medium to long-term, including but not limited to payment of cash subject to the requirements of the Constitution, Corporations Act and Listing Rules.

Resolutions 3 to 5 (inclusive) are not conditional on each other, and Shareholders may approve one or all of those Resolutions (in which case, the Director Options the subject

of the relevant Resolution(s) will be issued), even though Shareholders have not approved all of these Resolutions.

3.4 Specific information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Director Options:

- (a) The Director Options will be issued to:
- (i) James Eggins pursuant to Resolution 3;
 - (ii) Quinton de Klerk pursuant to Resolution 4; and
 - (iii) Caroline Keats pursuant to Resolution 5,
- and/or their respective nominees.
- (b) Each of James Eggins, Quinton de Klerk and Caroline Keats are a related party of the Company by virtue of being Directors of the Company and fall into the category stipulated by Listing Rule 10.14.1. In the event the Director Options are issued to a nominee of a Director, that person will fall into the category stipulated by Listing Rule 10.14.2.
- (c) The Company proposes to issue a maximum of 130,000,000 Director Options to the Directors (and/or their respective nominees) in the following proportions:

Resolution	Director	Number of Director Options
Resolution 3	James Eggins	40,000,000
Resolution 4	Quinton de Klerk	30,000,000
Resolution 5	Caroline Keats	60,000,000
Total		130,000,000

- (d) Details of the current total remuneration package of the Directors are set out below, inclusive of directors' fees, consultancy fees, superannuation benefits, share-based payments and annual leave accruals:

Director	FY24 Remuneration (\$) ¹	FY23 Remuneration (\$) ¹
James Eggins ²	100,086	98,284
Quinton de Klerk ³	66,725	64,602
Caroline Keats ⁴	417,336	383,964

Notes:

- As disclosed in the Remuneration Report of the FY24 Annual Report. Figures do not include the proposed issue of the Director Options, the subject of Resolutions 3 to 5 (inclusive).
- Mr Eggins' FY24 remuneration is comprised of base salary of \$75,000 per annum, \$8,250 in superannuation benefits and \$16,836 of equity-settled share-based payments.

3. Mr de Klerk's FY24 remuneration is comprised of base salary of \$50,000 per annum, \$5,500 in superannuation benefits and \$11,225 of equity-settled share-based payments.
4. Ms Keats' FY24 remuneration is comprised of base salary of \$315,000, a bonus of \$23,625, \$27,399 in superannuation benefits and \$51,312 of equity-settled share-based payments.

(e) The Company has issued the following Equity Securities under the Plan to the Directors or their respective nominees:

Director	Type of Security and number	Date of issue	Average acquisition price paid (\$)
Caroline Keats	31,250,000 Share Rights ¹	19 December 2024	0.0016 ²

Notes:

1. Refer to section 6 of the Company's notice of annual general meeting dated 25 October 2024 for further details of the Share Rights issued to Ms Keats (or her nominees) under the Plan.
2. Based on the 5-day volume weighted average price of Shares over the trading days immediately preceding the date of the Company's 2024 annual general meeting. The Share Rights were issued to Ms Keats (or her nominees) in consideration for reducing her salary by \$50,000 for 12 months following the date of issue of the Share Rights, as such they were issued for nil cash consideration and form part of Ms Keats' remuneration package.

For completeness, the Company has issued the following Equity Securities under the Company's Previous Plan to the Directors or their respective nominees:

Director	Type of Security and number	Date of issue	Average acquisition price paid (\$)³
Caroline Keats	20,000,000 Shares ¹	12 January 2022	0.023
James Eggins	6,000,000 Shares ²	4 March 2022	0.024
Quinton de Klerk	4,000,000 Shares ²	4 March 2022	0.024

Notes:

1. These Equity Securities are 'MD Loan Shares', the issue of which was approved by Shareholders under Listing Rule 10.14 at the annual general meeting held on 11 January 2022. For details of the material terms of the MD Loan Shares, please refer to section 9 of the Company's notice of annual general meeting released to ASX on 10 December 2021.
2. These Equity Securities are 'Director Loan Shares', the issue of which were approved by Shareholders under Listing Rule 10.14 at the general meeting held on 4 March 2022. For additional details of the Director Loan Shares, please refer to section 7 of the Company's notice of annual general meeting released to ASX on 2 February 2022.
3. Based on the 10-day VWAP of the Company's Shares as at the date of issue.

(f) The Director Options are exercisable at \$0.004 each and expire 5 years from the date of issue. A summary of the key terms and conditions of the Director Options are set out in Schedule 2.

- (g) The rationale for the proposed issue of the Director Options is set out in Section 3.1 above.
- (h) A valuation of the Director Options is set out in Schedule 3.
- (i) The Director Options are intended to be issued to the Directors (and/or their respective nominees) as soon as practicable following the receipt of approval at the Meeting and in any event, will be issued no later than 15 months after the date of the Meeting if the required approval is received.
- (j) The Director Options will be issued for nil cash consideration as they will be issued as an incentive component to the Directors' remuneration packages.
- (k) A summary of the material terms of the Plan is provided in Schedule 4.
- (l) No loan has been or will be given to the Directors in relation to the grant of Director Options.
- (m) Details of any securities issued under the 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 securities under the Plan after Resolutions 3 to 5 (inclusive) are approved and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.
- (o) A voting exclusion statement is included in the Notice.

3.5 Section 195 of the Corporations Act

Section 195(1) of the Corporations Act prohibits a director of a public company who has a material personal interest in a matter that is being considered at a meeting of directors from being present while the matter is being considered at the meeting or voting on the matter. If there is not a quorum of directors who are eligible to vote on a matter because of the operation of section 195(1) of the Corporations Act, one or more directors may call a general meeting and the general meeting may deal with the matter.

The Directors have a personal interest in the outcome of each of their respective Resolutions under Resolutions 3 to 5 (inclusive) and have exercised their right under section 195(4) of the Corporations Act to put the issue of the Director Options to the Directors to Shareholders to resolve upon.

3.6 Chapter 2E of the Corporations Act

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

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

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

The proposed issue of the Director Options to Directors (and/or their nominees) constitutes giving a financial benefit to a related party by virtue of being Directors of the Company

Notwithstanding that the issue of the Director Options is considered by the Board as reasonable remuneration and therefore falls within the exception stipulated by section 211 of the Corporations Act, the Board has resolved to seek Shareholder approval pursuant to Chapter 2E of the Corporations Act in respect of the issue of the Director Options to avoid any conflict of interest given the personal interests of the Company's Directors in the outcome of these Resolutions.

3.7 Information required under Chapter 2E of the Corporations Act

Pursuant to and in accordance with section 219 of the Corporations Act, the following information is provided in relation to the proposed issue of the Director Options:

(a) Identity of the related parties to whom Resolutions 3 to 5 (inclusive) permit financial benefits to be given

Refer to Section 3.4(a).

(b) Nature of the financial benefit

Resolutions 3 to 5 (inclusive) seek Shareholder approval to allow the Company to issue the Director Options in the amounts specified in Section 3.4(c) to the Directors (and/or their respective nominees).

The Director Options are to be issued in accordance with the Plan and otherwise on the terms and conditions in Schedule 2.

The Shares to be issued upon conversion of the Director Options will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

(c) Board recommendations

Given the personal interests of all the Directors in the outcome of these Resolutions, the Board declines to make a recommendation to Shareholders in relation to Resolutions 3 to 5 (inclusive).

(d) Valuation of financial benefit

A valuation of the Director Options is set out in Schedule 3.

(e) Remuneration of the Directors

Refer to Section 3.4(d).

(f) Existing relevant interest of Directors

At the date of this Notice, the Directors hold the following relevant interests in Equity Securities of the Company:

Director	Shares	Interest in the Share capital of the Company¹	Share Rights
James Eggins	7,500,000	0.23%	-
Quinton de Klerk	8,545,453	0.26%	-
Caroline Keats	71,142,855	2.19%	31,250,000

Note 1: Based on 3,253,778,652 Shares on issue as at the date of this Notice.

Assuming that Resolutions 3 to 5 (inclusive) are approved by Shareholders, all of the Director Options are issued and exercised into Shares, and no other Equity Securities are issued, exercised or converted (including any existing Share Rights held by the Directors as at the date of this Notice), the interests of each of the Directors in the Company would (based on the Share capital as at the date of this Notice) be as follows:

Director	Interest in the Share capital of the Company
James Eggins	1.40%
Quinton de Klerk	1.14%
Caroline Keats	3.88%

The Directors' actual interests in the Company at the date the Director Options are exercised into Shares will depend on the extent that additional Shares are issued by the Company.

(g) Dilution

The issue of the Director Options will have a diluting effect on the percentage interest of existing Shareholders' holdings if the Director Options are exercised. The potential dilution if all Director Options are exercised into Shares is 3.84%, being:

- (i) 1.18% in respect of the Director Options to be issued to James Eggins;
- (ii) 0.89% in respect of the Director Options to be issued to Quinton de Klerk; and
- (iii) 1.77% in respect of the Director Options to be issued to Caroline Keats.

This figure assumes the current Share capital structure as at the date of this Notice and that no Shares are issued other than the Shares issued on exercise of the Director Options.

The exercise of all of the Director Options will result in a total dilution of all other Shareholders' holdings of 3.71% on a fully diluted basis (assuming that all other convertible Securities are exercised and converted to Shares), being:

- (i) 1.14% in respect of the Director Options to be issued to James Eggins;
- (ii) 0.86% in respect of the Director Options to be issued to Quinton de Klerk;
- (iii) 1.71% in respect of the Director Options to be issued to Caroline Keats.

The actual dilution will depend on the extent that additional Shares are issued by the Company

(h) **Trading history**

The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

Highest: \$0.008 per Share on 15 January 2024

Lowest: \$0.001 per Share on various dates

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.001 per Share on 12 December 2024.

(i) **Corporate governance**

Caroline Keats is an Executive Director of the Company and therefore the Board (other than Caroline Keats) believe that the grant of those Director Options to Caroline Keats (and/or her nominees) is in line with Recommendation 8.2 of the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**).

The Board acknowledges that the proposed grant of the Director Options to non-executive Directors James Eggins and Quinton de Klerk is contrary to the guidelines in Box 8.2 of the Recommendations, which provides that non-executive directors should not receive performance-based remuneration as it may lead to bias in their decision making and compromise their objectivity. However, the Board considers the grant of the Director Options to Mr Eggins and Mr de Klerk to be reasonable in the circumstances for the reasons provided in Section 3.1 above. The Board also considers that the grant does not affect the independence of the Directors as there are no performance-based milestones attaching to the Director Options.

(j) **Taxation consequences**

There are no taxation consequences for the Company arising from the issue of the Director Options (including fringe benefits tax).

(k) **Other information**

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 3 to 5 (inclusive).

4. GLOSSARY

\$ or A\$ means Australian dollars.

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

ASX means ASX Limited (ACN 008 624 691).

ASX Listing Rules or Listing Rules means the Listing Rules of ASX.

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 or a day that ASX declares is not a business day.

Cash Value has the meaning given in Section 2.2.

Chair means the chair of the Meeting.

Closely Related Party means 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 ENRG Elements Limited (ACN 149 230 811).

Constitution means the Company's constitution.

Convertible Security has the same meaning as in the Listing Rules.

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

Director Options has the meaning given in Section 3.1.

Directors means the current directors of the Company.

Entitlement Offer has the meaning given in Section 1.1.

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.

Lead Manager Options has the meaning given in section 2.1.

Listing Rules means the listing rules of ASX.

Mahe means Mahe Capital Pty Ltd (ACN 634 087 684) (AFSL 517246).

Mandate has the meaning given in Section 2.1.

Material Investor means, in relation to the Company:

- (a) a related party;
- (b) Key Management Personnel;
- (c) a substantial Shareholder;
- (d) an advisor; or
- (e) an associate of the above,

who received or will receive Securities in the Company which constitute more than 1% of the Company's anticipated capital structure at the time of issue.

Meeting means the general meeting convened by this Notice.

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

Offers means the Entitlement Offer and Shortfall Offer.

Option means an option to acquire a Share.

Performance Right means the right to acquire a Share subject to the satisfaction of certain milestones.

Placement has the meaning given in Section 1.1.

Placement Participants has the meaning given in Section 1.1.

Placement Shares has the meaning given in Section 1.1.

Plan means the 'ENRG Elements Limited Employee Securities Incentive Plan'.

Previous Plan means the Company's employee securities incentive plan approved by Shareholders under Listing Rule 7.2, exception 13(b) at the annual general meeting on 11 January 2022.

Proxy Form means the proxy form accompanying the Notice.

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

Schedule means a schedule to the Notice.

Section means a section of the Explanatory Statement.

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

Share Right means a right to acquire a Share.

Shareholder means a registered holder of a Share.

Shortfall Offer means the offer of any shortfall of Shares under the Entitlement Offer.

VWAP means the volume weighted average market price for Shares.

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

Schedule 1 – Terms and Conditions of Lead Manager Options

The following terms and conditions apply to the Lead Manager Options (referred to in this Schedule as **Options**):

- (a) Each Option entitles the holder to subscribe for one Share upon exercise of the Option. The exercise price for each Option is \$0.004 (**Exercise Price**)
- (b) The Options are exercisable at any time on or from the date of issue until the Expiry Date, which will be three (3) years from the date of issue (**Exercise Period**).
- (c) 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.
- (d) 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**).
- (e) Within 5 Business Days after the later of the following:
 - (i) the Exercise Date; and
 - (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information, but in any case no later than 5 Business Days after the Exercise Date, the Company will:
 - (iii) 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;
 - (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (v) 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 the Company is required but unable to give ASX a notice under paragraph (e)(iv), or such a notice 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.
- (f) Shares issued on exercise of the Options rank equally with the then issued Shares of the Company.
- (g) If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (h) 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.
- (i) An Option does not entitle the holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.
- (j) 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.

- (k) The Company will not apply for quotation of the Options on any securities exchange (including ASX).
- (l) The Options are transferable with the prior written consent of the Company (which may be withheld at the Company's sole discretion), subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.
- (m) Despite any other term, the Options may not be exercised if such exercise would cause the holder to breach the Corporations Act or the ASX Listing Rules (including, without limitation, Chapter 6 of the Corporations Act). The Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Shares on exercise of the Options.
- (n) Upon the issue of the Shares on exercise of the Options, the holder will be bound by the Company's Constitution.

Schedule 2 – Terms and Conditions of Director Options

The following terms and conditions apply to the Director Options:

- (a) Each Director Option entitles the holder to subscribe for one Share upon exercise of the Director Option. The exercise price for each Director Option is \$0.004 (**Exercise Price**)
- (b) The Director Options are exercisable at any time on or from the date of issue until the Expiry Date, which will be five (5) years from the date of issue (**Exercise Period**).
- (c) The Director Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Director Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Director Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (d) 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 Director Option being exercised in cleared funds (**Exercise Date**).
- (e) Within 5 Business Days after the later of the following:
 - (i) the Exercise Date; and
 - (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information, but in any case no later than 5 Business Days after the Exercise Date, the Company will:
 - (iii) issue the number of Shares required under these terms and conditions in respect of the number of Director Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (v) 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 Director Options.

If the Company is required but unable to give ASX a notice under paragraph (e)(iv), or such a notice 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.
- (f) Shares issued on exercise of the Director Options rank equally with the then issued shares of the Company.
- (g) If at any time the issued capital of the Company is reconstructed, all rights of a Director Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (h) There are no participation rights or entitlements inherent in the Director Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Director Options without exercising the Director Options.
- (i) A Director Option does not entitle the holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.
- (j) A Director 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.
- (k) The Company will not apply for quotation of the Director Options on any securities exchange (including ASX).
 - (l) The Director Options are transferable with the prior written consent of the Company (which may be withheld at the Company's sole discretion), subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.
 - (m) Despite any other term, the Director Options may not be exercised if such exercise would cause the holder to breach the Corporations Act or the ASX Listing Rules (including, without limitation, Chapter 6 of the Corporations Act). The Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Shares on exercise of the Director Options.
 - (n) The Director Options are issued pursuant to and are subject to the Plan. In the event of conflict between a provision of these terms and conditions and the Plan, these terms and conditions prevail to the extent of that conflict.
 - (o) Upon the issue of the Shares on exercise of the Director Options, the holder will be bound by the Company's Constitution.

Schedule 3 – Valuation of Director Options

The Director Options to be issued pursuant to Resolutions 3, 4 and 5 have been valued using the Black & Scholes valuation model based on the assumptions set out below.

Assumptions	
Valuation Date	06 December 2024
Market price of Shares (\$)	0.001
Exercise price (\$)	0.004
Exercise period	5 years
Risk free interest rate (%)	3.902%
Share price volatility	291.81%
Number of Director Options	130,000,000
Theoretical value per Director Option (\$)	0.001
Total theoretical value of the Director Options (\$)	130,000

Indicative Value of the Director Options	(\$)
James Eggins	40,000
Quinton de Klerk	30,000
Caroline Keats	60,000

Schedule 4 – Summary of Material Terms of the Plan

A summary of the material terms and conditions of the Plan is set out below:

- (a) **(Eligible Participant)**: Eligible Participant means a person that has been determined by the Board to be eligible to participate in the Plan from time to time and is an “ESS participant” (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an associated entity of the Company. This relevantly includes, amongst others:
- (i) an employee or director of the Company or an individual who provides services to the Company;
 - (ii) an employee or director of an associated entity of the Company or an individual who provides services to such an associated entity;
 - (iii) a prospective person to whom paragraphs (i) or (ii) apply;
 - (iv) a person prescribed by the relevant regulations for such purposes; or
 - (v) certain related persons on behalf of the participants described in paragraphs (i) to (iv) (inclusive).
- (b) **(Maximum allocation)** The Company must not make an offer of Securities under the Plan in respect of which monetary consideration is payable (either upfront, or on exercise of convertible securities) where:
- (i) the total number of Plan Shares (as defined in paragraph **Error! Reference source not found.** below) that may be issued or acquired upon exercise of the convertible securities offered; plus
 - (ii) the total number of Plan Shares issued or that may be issued as a result of offers made under the Plan at any time during the previous 3 year period,

would exceed 5% of the total number of Shares on issue at the date of the offer or such other limit as may be specified by the relevant regulations or the Company’s Constitution from time to time.

The maximum number of equity securities proposed to be issued under the Plan for the purposes of Listing Rule 7.2, Exception 13 will be as approved by Shareholders from time to time (**ASX Limit**). This means that, subject to the following paragraph, the Company may issue up to the ASX Limit under the Plan without seeking Shareholder approval and without reducing its placement capacity under Listing Rule 7.1.

The Company will require prior Shareholder approval for the acquisition of equity securities under the Plan to Directors, their associates and any other person whose relationship with the Company or a Director or a Director’s associate is such that, in ASX’s opinion, the acquisition should be approved by Shareholders. The issue of Securities with Shareholder approval will not count towards the ASX Limit.

- (c) **(Purpose):** The purpose of the Plan is to:
- (i) assist in the reward, retention and motivation of Eligible Participants;
 - (ii) link the reward of Eligible Participants to Shareholder value creation; and
 - (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
- (d) **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion, subject to compliance with applicable laws and the Listing Rules. The Board may delegate its powers and discretion.
- (e) **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides. An invitation issued under the Plan will comply with the disclosure obligations pursuant to Division 1A.

On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

A waiting period of at least 14 days will apply to acquisitions of Securities for monetary consideration as required by the provisions of Division 1A.

- (f) **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the successful applicant (**Participant**) the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
- (g) **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of

hedging their economic exposure to a Convertible Security that has been granted to them.

- (h) **(Vesting of Convertible Securities)**: Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.
- (i) **(Exercise of Convertible Securities and cashless exercise)**: To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

At the time of exercise of the Convertible Securities, and subject to Board approval, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

- (j) **(Delivery of Shares on exercise of Convertible Securities)**: As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
- (k) **(Forfeiture of Convertible Securities)**: Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
 - (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
- (l) **(Change of control)**: If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
- (m) **(Rights attaching to Plan Shares)**: All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, **(Plan Shares)** will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
- (n) **(Disposal restrictions on Securities)**: If the invitation provides that any Plan Shares or Convertible Securities are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.
- (o) **(Adjustment of Convertible Securities)**: If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

- (p) **(Participation in new issues)**: There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
- (q) **(Amendment of Plan)**: Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

- (r) **(Plan duration)**: The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

- (s) **(Loan Shares)**: As part of an invitation, the Board may, in its absolute discretion, offer to an Eligible Participant a limited recourse, interest free loan to be made by the Company to the Eligible Participant for an amount equal to the aggregate issue price of the Shares **(Loan Shares)** offered to the Eligible Participant pursuant to the relevant invitation **(Participant Loan)**.

A Participant Loan must be used for the sole purpose of paying the Company the issue price for the Loan Shares to be issued to the Eligible Participant on acceptance of the relevant invitation, with the amount to be advanced to the Eligible Participant under the Participant Loan applied to payment of the issue price for such Loan Shares.

Unless the Board, in its absolute discretion, determines otherwise, the date on which a Participant Loan must be repaid by the Participant shall be the earlier of:

- (i) three months after the date that the Participant ceases to be an Eligible Participant; or
- (ii) if determined by the Board to be repayable as a result of, or in anticipation of, a change of control event.

As security for a Participant Loan, the relevant Participant grants to the Company:

- (i) a pledge of its Loan Shares provided under the Plan; and
- (ii) a charge over all dividends and other amounts paid or payable on those Loan Shares.

Proxy Voting Form

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

Your proxy voting instruction must be received by **10.00am (AWST) on Tuesday, 21 January 2025**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of Key Management Personnel.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

Lodging your Proxy Voting Form:

Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

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