
SARYTOGAN GRAPHITE LIMITED
ACN 107 920 945
NOTICE OF GENERAL MEETING

Notice is given that a General Meeting will be held at:

TIME: 10 am (WST)

DATE: 1 August 2023

PLACE: The meeting is a **hybrid meeting**

Virtually: Online via a web-based meeting portal

Physically: Suite 9, 110 Hay 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 5pm (WST) on 30 July 2023.

IMPORTANT INFORMATION REGARDING MEETING ATTENDANCE AND VOTING

Voting in person

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

Attending the Meeting virtually

The Meeting will be virtually accessible to all Shareholders, and will allow Shareholders, as a whole, a reasonable opportunity to participate without being physically present at the Meeting.

The technology used to hold the Meeting will be reasonable and, Shareholders entitled to attend and vote at the Meeting, will be able to:

- (a) view the Meeting live;
- (b) exercise a right, orally and in writing, to ask questions and make comments; and
- (c) cast votes in real time on a poll during the Meeting.

Shareholders who wish to attend the Meeting virtually must first register their attendance with the Company by no later than 10am (WST) on 31 July 2023, the day prior to the Meeting, by email to the Company Secretary at ianhobson@bigpond.com including the Shareholder's name, address and SRN. The Company will then email the Shareholder the details to participate in the virtual Meeting via zoom (a web-based meeting portal).

Voting by poll

All votes taken at the Meeting will be conducted by way of a poll, taken both physically at the Meeting and electronically. Shareholders who wish to vote by poll during the virtual Meeting must first notify the Company of their intention by emailing the Company Secretary at ianhobson@bigpond.com, by no later than 10am (WST) on 31 July 2023, the day prior to the Meeting. Shareholders will be able to submit their email poll votes immediately after the Chair calls for a vote on each Resolution and up to a period of one hour after the Meeting ends. This means that the outcome of each Resolution will not be able to be determined until after the conclusion of the Meeting to allow the company secretary sufficient time to count such poll votes submitted by email.

Voting by Proxy

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

Please note that:

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

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

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

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (c) if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).
- (e) Section 250BC of the Corporations Act provides that, if:
- (f) 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;
- (g) the appointed proxy is not the chair of the meeting;
- (h) at the meeting, a poll is duly demanded, or is otherwise required under section 250JA on the resolution; and
- (i) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

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

Chair's voting intentions

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

Submitting questions

Shareholders are encouraged to submit any questions that they may wish to put to the Company during the Meeting in writing by email to the Company Secretary at ianhobson@bigpond.com by no later than 10am (WST) on 31 July 2023, the day prior to the Meeting. Shareholders will also be able to ask questions during the Meeting using the web-based meeting portal, and Shareholders will be required to give their names when asking a question.

Enquiries

Shareholders are requested to contact the Company Secretary on +61 8 9388 8290 if they have any queries in respect of the matters set out in this Notice of General Meeting or the Explanatory Statement.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1

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 15,151,515 fully paid ordinary shares on the terms and conditions set out in the Explanatory Statement."

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

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF LEAD MANAGER OPTIONS – LISTING RULE 7.1

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 1,515,151 Options on the terms and conditions set out in the Explanatory Statement."

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

3. RESOLUTION 3 – ISSUE OF PERFORMANCE RIGHTS & REMUNERATION OPTIONS TO DIRECTOR – MR SEAN GREGORY

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

"That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue to Mr Sean Gregory (or his nominee) under the Scheme on the terms and conditions set out in the Explanatory Statement:

a) a total of 1,500,000 Performance Rights; and

b) 500,000 Remuneration Options."

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

4. RESOLUTION 4 – ISSUE OF PERFORMANCE RIGHTS & REMUNERATION OPTIONS TO DIRECTOR – MR WALDEMAR MUELLER

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

"That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue to Mr Waldemar Mueller (or his nominee) under the Scheme on the terms and conditions set out in the Explanatory Statement:

a) a total of 1,500,000 Performance Rights; and

b) 500,000 Remuneration Options."

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

Dated: 29 June 2023

By order of the Board



**Mr Ian Hobson
Company Secretary**

Voting Prohibition Statements

Resolution 3 & Resolution 4 – Issue of Performance Rights to Mr Sean Gregory and Waldemar Mueller	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 these Resolutions if: (a) the proxy is either: (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on these Resolutions. Provided the Chair is not an Excluded Party, the above prohibition does not apply if: (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
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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:

Resolution 1 – Ratification of prior issue of Shares	A person who participated in the issue or is a counterparty to the agreement being approved (namely the Placement participants) or an associate of that person or those persons.
Resolution 2 – Ratification of prior issue of Options to Inyati Fund Pty Ltd and BT Global Holdings Pty Ltd	A person who participated in the issue or is a counterparty to the agreement being approved (namely Inyati Fund Pty Ltd (or its nominee) and BT Global Holdings Pty Ltd <BT Unit A/C> (or its nominee) or an associate of that person or those persons.
Resolution 3 & Resolution 4 – Issue of Performance Rights & Remuneration Options to Mr Sean Gregory and Mr Waldemar Mueller	Any 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 (including Mr Sean Gregory under Resolution 3 and Mr Waldemar Mueller under Resolution 4) or an associate of 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

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

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9388 8290.

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.

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the General Meeting to be both as a virtual meeting via a web-based meeting portal as well as an in-person meeting at Suite 9, 110 Hay Street, Subiaco WA 6008 on 1 August 2023 at 10.00am (WST) (**Meeting**).

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

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

1. BACKGROUND TO RESOLUTIONS 1 AND 2

1.1 Background

The Company announced on 5 April 2023 that it has received firm commitments for 15,151,515 Shares at 33 cents each for a total of A\$5,000,000 (before expenses of the offer) from sophisticated investors pursuant to s708 of the Corporations Act ("**Placement**").

For further details of the Placement refer to the Company announcement dated 5 April 2023.

The Company intends to use the funds raised from the Placement for the ongoing development programs at the Sarytogan Graphite Deposit, including the Pre-Feasibility Study ("**PFS**"), as well as exploration at Kenesar, and general working capital.

The Placement Shares were issued on 12 April 2023 pursuant to the Company's 15% placement capacity pursuant to Listing Rule 7.1.

1.2 Appointment of Inyati Capital and RM Corporate Finance as Lead Managers

The Company engaged the services of Inyati Capital Pty Ltd (ABN 83 642 351 193) ("**Inyati**") and RM Corporate Finance Pty Ltd (ABN 50 108 084 386) ("**RM Corporate Finance**") to jointly act as lead managers to the Placement by way of a lead manager mandate ("**Mandate**"). Under the Mandate, the Company has agreed to pay Inyati and RM Corporate Finance:

- (a) a 6% fee; and
- (b) issue a total of 1,515,151 unlisted Options (**Lead Manager Options**) to acquire Shares at 49.5c each expiring three years from the date of issue to Inyati and RM Corporate Finance (or their nominees) on the terms as set out in Schedule 3 (the subject of Resolution 2).

The Mandate otherwise contains terms and conditions considered standard for an agreement of this kind.

The Lead Manager Options were issued on 14 April 2023 pursuant to the Company's 15% placement capacity pursuant to Listing Rule 7.1.

2. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1

2.1 General

On 12 April 2023, the Company issued 15,151,515 Shares at 33 cents each for a total of A\$5,000,000 (before expenses of the offer) to sophisticated investors pursuant to s708 of the Corporations Act ("**Placement 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.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 14 November 2022.

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, 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 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 Placement Shares.

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

2.2 Technical information required by Listing Rule 14.1A

If this Resolution is passed, the Placement 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 Placement Shares.

If this Resolution is not passed, the Placement 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 Placement Shares.

2.3 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 this Resolution:

- (a) the Placement Shares were issued to professional and sophisticated investors who are clients of Inyati and RM Corporate Finance. The recipients were identified through a bookbuild process, which involved Inyati and RM Corporate Finance 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) 15,151,515 Placement Shares were issued and the 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 Placement Shares were issued on 12 April 2023;
- (e) the issue price was \$0.33 per Placement Share. The Company has not and will not receive any other consideration for the issue of the Placement Shares;
- (f) the purpose of the issue of the Placement Shares was to raise \$5,000,000, which will be applied towards the ongoing development programs at the Sarytogan Graphite Deposit, including the Pre-Feasibility Study (PFS), as well as exploration at Kenesar, and general working capital;
- (g) the Placement Shares were not issued under an agreement.

3. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF LEAD MANAGER OPTIONS – LISTING RULE 7.1

3.1 General

On 14 April 2023, the Company issued a total of 1,515,151 unlisted Options (**Lead Manager Options**) to acquire Shares exercisable at 49.5c and each expiring three years from the date of issue, to Inyati and RM Corporate Finance (or their nominees) on the terms set out in Schedule 3.

As summarised in Section 2.1 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 Company obtained approval to increase its limit to 25% at the annual general meeting held on 14 November 2022.

The issue of the Lead Manager 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 Lead Manager 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 Lead Manager Options.

This Resolution seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Lead Manager Options.

3.2 Technical information required by Listing Rule 14.1A

If this Resolution is passed, the Lead Manager 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 Lead Manager Options.

If this Resolution is not passed, the Lead Manager 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 Lead Manager Options.

3.3 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 this Resolution:

- (a) the Lead Manager Options were issued to Inyati and RM Corporate Finance (or their nominees);
- (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) 757,576 Lead Manager Options were issued to Inyati and 757,575 Options were issued to RM Corporate Finance (or their nominee);

- (d) the Lead Manager Options were issued on the terms and conditions set out in Schedule 3 ;
- (e) the Lead Manager Options were issued on 14 April 2023;
- (f) the Lead Manager Options were issued at an issue price of \$0.00001 per option., in partial consideration for services provided by Inyati and RM Corporate Finance. The Company has not and will not receive any other consideration for the issue of the Lead Manager Options (other than in respect of funds received on exercise of the Lead Manager Options);
- (g) the purpose of the issue of the Lead Manager Options was to satisfy the Company's obligations under the Mandate; and
- (h) the Lead Manager Options were issued under the Mandate. A summary of the material terms of the Mandate is set out in Section 1.2.

4. RESOLUTIONS 3 AND 4 – ISSUE OF PERFORMANCE RIGHTS AND REMUNERATION OPTIONS TO DIRECTORS

4.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue 1,500,000 Performance Rights and 500,000 Remuneration Options to each of Mr Sean Gregory Mr Waldemar Mueller (or their nominees) (**Related Parties**) pursuant to the Company's Employee Securities Incentive Plan set out in the Prospectus dated 23 February 2022 (**Scheme**) and on the terms and conditions set out below (**Performance Rights**).

4.2 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 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 Performance Rights and Remuneration Options to the Related Parties falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolution 3 & Resolution 4 seek the required Shareholder approval for the issue of the Performance Rights and Remuneration Options under and for the purposes of Listing Rule 10.14.

4.3 Technical information required by Listing Rule 14.1A

If Resolution 3 & Resolution 4 are passed, the Company will be able to proceed with the issue of the Performance Rights and the Remuneration Options to the Related Parties under the Scheme 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 Performance Rights and the Remuneration Options (because approval is being obtained under Listing Rule 10.14), the issue of the Performance Rights and the Remuneration Options will not use up any of the Company's 15% annual placement capacity.

If Resolution 3 & Resolution 4 are not passed, the Company will not be able to proceed with the issue of the Performance Rights and Remuneration Options to the Related Parties under the Scheme.

4.4 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act also requires Shareholder approval where a public company seeks to give a "financial benefit" to a "related party" (unless an exception applies). A "related party" for the purposes of the Corporations Act is defined widely. It includes a director of a public company and specified members of the director's family. It also includes an entity over which a director maintains control. Directors are considered to be related parties within the meaning of the Corporations Act, and the issue of the Performance Rights and Remuneration Options to the Related Parties (or their nominees) will constitute a financial benefit for the purposes of Chapter 2E of the Corporations Act.

An exception to the requirement to obtain Shareholder approval in accordance with Chapter 2E applies where the financial benefit constitutes part of the related party's "reasonable remuneration". The Directors (other than Messrs Gregory and Mueller), consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Performance Rights and Remuneration Options, because the issue of Performance Rights and the Remuneration Options constitutes reasonable remuneration payable to Messrs Gregory and Mueller. In reaching this conclusion, the directors other than Messrs Gregory and Mueller, has had regard to a variety of factors including market practice and the remuneration offered to persons in comparable positions at comparable companies.

4.5 Technical information required by Listing Rule 10.15

Pursuant to and in accordance with the requirements of Listing Rule 10.15, the following information is provided in relation to these Resolutions:

- (a) the Performance Rights and the Remuneration Options will be issued to the following persons:
 - (i) Mr Sean Gregory (or his nominee) pursuant to Resolution 3; and
 - (ii) Mr Waldemar Mueller (or his nominee) pursuant to Resolution 4,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 Performance Rights to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is 3,000,000 as follows:
 - (i) 1,500,000 Performance Rights to Mr Sean Gregory (or his nominee) pursuant to Resolution 3; and
 - (ii) 1,500,000 Performance Rights to Mr Waldemar Mueller (or his nominee) pursuant to Resolution 4;

- (b) the milestones and vesting criteria attaching to the different classes of Performance Rights are set out in Schedule 2 and the number of Performance Rights to be issued to each Director in each respective class (as described in Schedule 2) is set out in the table below:

	Sean Gregory	Waldemar Mueller
Tranche 4 Performance Rights	500,000	500,000
Tranche 5 Performance Rights	500,000	500,000
Tranche 6 Performance Rights	500,000	500,000

- (c) the maximum number of Remuneration Options to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is 1,000,000 as follows:
- (i) 500,000 Remuneration Options to Mr Sean Gregory (or his nominee) pursuant to Resolution 3; and
 - (ii) 500,000 Remuneration Options to Mr Waldemar Mueller (or his nominee) pursuant to Resolution 4;
- (d) 6,000,000 Performance Rights (Tranche 1, 2 & 3) have previously been issued to Sean Gregory under the Scheme. 2,000,000 Options have also previously been issued to each of Sean Gregory and Waldemar Mueller under the Scheme. All Securities previously issued under the Scheme to Messrs Gregory and Mueller have been issued for nil cash consideration;
- (e) a summary of the material terms and conditions of the Performance Rights is set out in Schedule 2;
- (f) the Performance Rights and Remuneration Options are unquoted securities. The Company has chosen to issue Performance Rights and the Remuneration Options to the Related Parties for the following reasons:
- (i) the Performance Rights and Remuneration Options are unquoted; therefore, the issue of the Performance Rights and Remuneration Options have no immediate dilutionary impact on Shareholders;
 - (ii) the milestones attaching to the Performance Rights and the exercise of the Remuneration Options will align the interests of the Related Parties with those of Shareholders;
 - (iii) the issue of the Performance Rights and Remuneration options are a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit 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 Messrs Gregory and Mueller; and
 - (iv) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in

issuing the Performance Rights and Remuneration Options on the terms proposed;

- (g) the number of Performance Rights and Remuneration Options 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 Performance Rights and Remuneration Options upon the terms proposed;

- (h) 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 – Year ending 30 June 2023	Previous Financial Year – Year ended 30 June 2022*
Sean Gregory	\$385,000	\$187,342 ¹
Waldemar Mueller	\$325,472	\$373,085 ²

*Not employed for a full financial year

Notes:

1. Comprising of directors' fees/salary of \$116,667, a superannuation payment of \$11,667 and share-based payments of \$59,009.
2. Comprising of directors' fees/salary of \$171,818, a superannuation payment of \$17,182 and share-based payments of \$184,085.

If the Performance Rights and the Remuneration Options are issued, the total remuneration package of

- (i) Mr Gregory will increase by \$435,986 to \$820,986; and
- (ii) Mr Mueller will increase by \$435,986 to \$761,458,

being the value of the Performance Rights (based on the direct pricing methodology) and the Remuneration Options (based on Black Scholes valuation);

- (i) given the non-market vesting conditions for the performance rights, the valuation methodology adopted by the Company for these securities is the direct pricing method prepared by management with no discount for vesting conditions. The direct pricing method attributed to each of

the performance rights is \$0.25, being the share price on 23 June 2023 (being the last practical date before this Notice was finalised);

- (j) The Remuneration Options are valued at \$0.122 per option based on the following inputs:
 - Share price: \$0.25
 - Exercise price: \$0.60
 - Risk-free rate: 3.07%
 - Expiry date: 30 June 2028
 - Standard deviation: 80%
- (k) the Performance Rights and Remuneration Options 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 Performance Rights and Remuneration Options will be issued on one date;
- (l) the issue price of the Performance Rights and the Remuneration Options will be nil, as such no funds will be raised from the issue of the Performance Rights and the Remuneration Options;
- (m) the purpose of the issue of the Performance Rights and the Remuneration Options 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;
- (n) a summary of the material terms and conditions of the Scheme is set out in Schedule 1;
- (o) no loans are being made to the Related Parties in connection with the acquisition of the Performance Rights and the Remuneration Options;
- (p) details of any Performance Rights and the Remuneration Options issued under the Scheme 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;
- (q) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights and the Remuneration Options under the Scheme after Resolution 3 & Resolution 4 are approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.

GLOSSARY

\$ means Australian dollars.

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.

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 Sarytogan Graphite Limited (ACN 107 920 945).

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

Directors means the current directors of the Company.

Employee Securities Incentive Plan means the Company's employee securities incentive plan as set out in the Prospectus dated 23 February 2022.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Inyati means Inyati Capital Pty Ltd (ABN 83 642 351 193)

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.

Mandate means the agreement dated 31 March 2023 between the Company, Inyati and RM Corporate Finance.

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Options means the Option terms in Schedule 3.

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

RM Corporate Finance means RM Corporate Finance Pty Ltd (ABN 50 108 084 386)

Scheme means the Company's Employee Securities Incentive Plan.

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.

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

SCHEDULE 1 – EMPLOYEE SECURITIES INCENTIVE PLAN

The material terms and conditions of the Company's Employee Incentive Plan (**Scheme**) are summarised below:

1. Eligible Participant

Eligible Participant means a person who is a full-time or part-time employee, officer, or contractor of the Company, or an Associated Body Corporate (as defined in ASIC Class Order 14/1000), or such other person who has been determined by the Board to be eligible to participate in the Plan from time to time.

The Company will seek Shareholder approval for Director and related party participation in accordance with Listing Rule 10.14.

2. Purpose

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Participants;
- (b) link the reward of Eligible Participants to Shareholder value creation; and
- (c) 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.

3. 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. The Board may delegate its powers and discretion.

4. 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.

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.

5. Grant of Securities

The Company will, to the extent that it has accepted a duly completed application, grant the 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.

6. 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 unless otherwise determined by the Board. 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.

7. 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.

8. 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 following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.

An invitation may specify that at the time of exercise of the Convertible Securities, 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.

9. 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.

10. 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; committed an act which has brought the Company, the Group or any entity within the Group into disrepute, or wilfully breached his or her duties to the Group or where a Participant is convicted of an offence in connection with the affairs of the Group; or has a judgment entered against him or her in any civil proceedings in respect of the contravention by the Participant of his or her duties at law, in equity or under statute, in his or her capacity as an employee, consultant or officer of 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:

- (a) 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
- (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation or vesting notice.

11. 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.

12. Rights attaching to Plan Shares

All Shares issued or transferred 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.

13. Disposal restrictions on Plan Shares

If the invitation provides that any Plan Shares 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.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
- (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

14. 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 issue 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.

15. 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.

16. Compliance with applicable law

No Security may be offered, granted, vested or exercised if to do so would contravene any applicable law. In particular, the Company must have reasonable grounds to believe, when making an invitation, that the total number of Plan Shares that may be issued upon exercise of Convertible Securities offer when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous three year period under:

- (a) an employee incentive scheme of the Company covered by ASIC Class Order 14/1000; or
- (b) an ASIC exempt arrangement of a similar kind to an employee incentive scheme,

but disregarding any offer made or securities issued in the capital of the Company by way of or as a result of:

- (c) an offer to a person situated at the time of receipt of the offer outside Australia;

- (d) an offer that did not need disclosure to investors because of section 708 of the Corporations Act (exempts the requirement for a disclosure document for the issue of securities in certain circumstances to investors who are deemed to have sufficient investment knowledge to make informed decisions, including professional investors, sophisticated investors and senior managers of the Company); or
 - (e) an offer made under a disclosure document,
- would exceed 5% (or such other maximum permitted under any applicable law) of the total number of Shares on issue at the date of the invitation.

17. 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.

18. 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.

19. Income Tax Assessment Act

The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies (subject to the conditions in that Act).

SCHEDULE 2 – TERMS OF RELATED PARTY PERFORMANCE RIGHTS

The following is a summary of the key terms and conditions of the Performance Rights to be issued by Sarytogan Graphite Limited (**Company**) to the Directors:

(a) **Milestones**

The Performance Rights shall have the following vesting criteria (each, a **Milestone**) attached to them:

Tranche	Number of Performance Rights	Vesting Conditions
Tranche 4	500,000 for Mr Sean Gregory; and 500,000 for Mr Waldemar Mueller	Completion of a pre-feasibility study on the Project prepared by an independent competent person under the JORC Code, by 30/09/2024 with an internal rate of return >30%. If this milestone is not achieved in the timeframe, the Performance Rights will expire on 30/10/2024.
Tranche 5	500,000 for Mr Sean Gregory; and 500,000 for Mr Waldemar Mueller	The estimation of a Mineral Resource (with a minimum resource of 20Mt @ 8% TGC flake graphite) for the Kenesar Project by an independent competent person under the JORC Code, within 5 years of issuing this class of Performance Rights. If the milestone is not achieved in the five-year period, the Performance Rights will expire on that date which is five years after their date of issue.
Tranche 6	500,000 for Mr Sean Gregory; and 500,000 for Mr Waldemar Mueller	Achievement of a minimum of 2kg of graphite concentrate at 99.95% carbon purity from a bulk sample from the Project by 30/09/2024. The Performance Rights will expire on 30/10/2024.
TOTAL	3,000,000	

- (b) the grant of the Securities is subject to the terms of the Plan, including the Company obtaining any necessary Shareholder approvals and the recipient remaining an Eligible Participant at the time the Securities are to be granted and (subject to a number of exceptions), exercised and converted into Shares;
- (c) (**Entitlement**): At the discretion of the Board, each Performance Right entitles the holder to receive cash to the value of one fully paid ordinary share in the capital of the Company (Share) calculated in accordance with clause (i), or to subscribe for one Share upon the exercise of each Performance Right.
- (d) (**Issue Price**): The Performance Rights are issued for nil cash consideration.
- (e) (**Vesting Conditions**): The Performance Rights will have the vesting conditions subject to the terms and conditions set out in the table above.
- (f) (**Vesting**): Subject to the satisfaction of the Vesting Condition on or before the Expiry Dates and the holder remaining employed by the Company as an executive, non-executive director or a consultant (under a consultant contract or similar instrument) at the date the Vesting Condition is satisfied (**Vesting Date**), the Company will notify the holder in writing (**Vesting Notice**) within 3 Business

Days or as soon as practicable, of becoming aware that the relevant Vesting Condition has been satisfied.

- (g) **(Expiry Date):** The Performance Rights will expire and lapse as set out in the table above.
- (h) **(Election to pay cash):** The Company will notify the holder in the Vesting Notice as to its election to satisfy the exercise of Performance Rights through the issue of Shares or the payment of cash. If the Performance Rights are satisfied through the payment of cash, the amount of cash payable will be calculated based on the VWAP of the Company's Shares over the 20 trading day period immediately preceding the Vesting Date and paid within 2 months of the Vesting Notice.
- (i) **(Exercise):** Where the Board elects to satisfy the Performance Rights by the issue of Shares, at any time between receipt of a Vesting Notice and the Expiry Date (as defined in clause (h) above), the holder may apply to exercise the Performance Rights by delivering a signed notice of exercise to the Company Secretary. The holder is not required to pay a fee to exercise the Performance Rights.
- (j) Securities are only transferrable in special circumstances as set out in the Plan;
- (k) the Company will apply for the Shares to be quoted on the ASX in accordance with the ASX Listing Rules within 10 Business Days of the later of the date the Shares are issued and the date any Restriction Period that applies to the Shares ends. The Shares may be subject to restrictions on disposal in accordance with the Plan in which case the Company will impose a Holding Lock with the Company's share registry and the Shares will not be able to be traded until the Holding Lock is lifted by the Company;
- (l) the Company will issue, where required to enable Shares issued on exercise of Securities to be freely tradeable on the ASX (subject to any Restriction Period), a cleansing statement under Section 708A(5) of the Corporations Act at the time Shares are issued. Where a cleansing statement is required, but cannot be issued, the Company will have a prospectus available in relation to the Shares which complies with the requirements of the Corporations Act;
- (m) the Company undertakes that, during the period commencing on the date of this Offer and expiring on the Closing Date, it will, within a reasonable period of you so requesting, make available to you the current market price of the underlying Shares to which the Securities relate;
- (n) you must not sell, transfer or dispose of any Shares issued to you the exercise of Securities where to do so would contravene the insider trading or on-sale provisions of the Corporations Act; and
- (o) Subdivision 83A-C of the *Income Tax Assessment Act 1997*, which enables tax deferral on Options, will apply (subject to the conditions in that Act) to Securities granted to you under this Offer.

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

Any Performance Right that has not been converted into a Share prior to the Expiry Date specified in paragraph (a) will automatically lapse.

(q) **Share ranking**

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

(r) **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.

(s) **Transfer of Performance Rights**

The Performance Rights are not transferable.

(t) **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.

(u) **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.

(v) **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.

(w) **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.

(x) **Change in Control**

Subject to paragraph (y), 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; or
- (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 applicable Milestone, Performance Rights will accelerate vesting conditions and will automatically convert into Shares on a one-for-one basis.

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

If the conversion of a Performance Right under paragraph (x) 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;
- (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 (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.

(z) **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.

(aa) **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.

(bb) **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.

(cc) **Subdivision 83AC-C**

Subdivision 83A-C of the *Income Tax Assessment Act 1997* applies to the Performance Right.

(dd) **Discretion**

Consistent with the terms of the Plan, the Board may, in its absolute discretion, determine by resolution of the Board that a particular Milestone has been satisfied or satisfied to such an extent that the Performance Right to which the applicable Milestone relates will be deemed to have vested.

(ee) **No Restriction Period**

Clause 9 of the Plan shall not apply to the Shares acquired by the holder by exercising the Performance Rights.

SCHEDULE 3 – TERMS AND CONDITIONS OF REMUNERATION OPTIONS

1. Entitlement

Subject to the terms and conditions set out below, each Option entitles the holder, on exercise, to the issue of one fully paid ordinary share in the capital of the Company (**Share**).

2. Plan

Defined terms in these terms and conditions have the same meaning as in the Plan. In the event of any inconsistency between the Plan and these terms and conditions, these terms and conditions will apply to the extent of the inconsistency.

3. Consideration

The Options will be granted to the Eligible Participant (or their permitted nominee) for nil cash consideration.

4. Exercise Price

The Exercise Price of each Option will be the greater of \$0.60 per share or 200% of the 5 day VWAP prior to the date of the Meeting.

5. Expiry Date

Each Option will expire at 5.00pm (AWST) on 30 June 2028 (**Expiry Date**). For the avoidance of doubt any unexercised Options will automatically lapse on the Expiry Date.

6. Exercise

The holder may exercise their Options by lodging with the Company, on or prior to the Expiry Date:

- a. in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion;
- b. a written notice of exercise of Options specifying the number of Options being exercised (**Exercise Notice**); and
- c. a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised. Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.

7. Timing of issue of Shares and quotation of Shares on exercise

As soon as practicable after the issue of a Notice of Exercise by the holder, the Company will:

- a. issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled;

- b. if required, issue a substitute Certificate for any remaining unexercised Options held by the holder;
- c. if required and subject to paragraph 8, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- d. in the event the Company is admitted to the official list of ASX, do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules and subject to the expiry of any restriction period that applies to the Shares under the Corporations Act or the Listing Rules.

8. Restrictions on transfer of Shares

If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Options may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

9. Shares issued on exercise

All Shares issued upon the exercise of Options will upon issue rank *pari passu* in all respects with the then Shares of the Company.

10. Transfer

The Options are not transferable unless with the prior written approval of the Board and subject to compliance with the Corporations Act and the Listing Rules.

11. Quotation

No application for quotation of the Options will be made by the Company.

12. Dividend and voting rights

The Options do not confer on the holder an entitlement to vote at general meetings of the Company or to receive dividends.

13. Participation in entitlements and bonus issues

Subject always to the rights under paragraphs 14 and 15, holders of Options will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

14. Adjustment for bonus issue

If securities are issued pro-rata to shareholders generally by way of bonus issue (other than an issue in lieu of dividends by way of dividend reinvestment), the number of Options to which the holder is entitled will be increased by that number of securities which the holder would have been entitled if the Options held by the holder were exercised immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Listing Rules at the time of the bonus issue.

15. Reorganisation of capital

In the event that the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all the holder's rights as a holder of Options will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the holder's economic and other rights are not diminished or terminated.

16. Leaver

Where the holder of the Options (or the relevant Eligible Participant in the case of a Permitted Nominee holder) is no longer employed, or their office or engagement is discontinued with the Group:

- a. as a result of total and permanent disablement, death or terminal illness, mental illness, redundancy or any other circumstances determined at the discretion of the Board to be a special circumstance, the Options will be exercisable within 1 month of the date the Eligible Participant ceases to be an Eligible Participant; and
- b. in all other circumstances, any unexercised Options will automatically lapse and be forfeited by the holder,

unless the Board otherwise determines in its discretion in accordance with the Plan.

SCHEDULE 4 – TERMS AND CONDITIONS OF THE LEAD MANAGER OPTIONS

(a) **Purchase Price**

Each option will be issued for cash consideration of \$0.00001 per option.

(b) **Entitlement**

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

(c) **Exercise Price**

Subject to paragraph (l), the amount payable upon exercise of each Option will be \$0.495 (**Exercise Price**).

(d) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 14 April 2026 (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) **Exercise Period**

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

(f) **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.

(g) **Exercise Date**

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

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

Within 10 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(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) **Shares issued on exercise**

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

(j) **Reconstruction of capital**

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

(k) **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.

(l) **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.

(m) **Transferability**

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

Proxy Voting Form

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

Holder Number:

Your proxy voting instruction must be received by **10.00am (AWST) on Sunday, 30 July 2023**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

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

YOUR NAME AND ADDRESS

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

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at
<https://investor.automic.com.au/#/loginsah>

or scan the QR code below using your smartphone

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



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

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

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

AUTOMIC

Appoint the Chair of the Meeting (Chair) OR if you are not appointing the Chair of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

[illegible]

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 3 & 4 (except where I/we have indicated a different voting intention below) even though Resolutions 3 & 4 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

Resolutions		For	Against	Abstain
1.	Ratification of prior issue of shares – Listing Rule 7.1	☐	☐	☐
2.	Ratification of prior issue of lead manager options – Listing Rule 7.1	☐	☐	☐
3.	Issue of performance rights & remuneration options to Director – Mr Sean Gregory	☐	☐	☐
4.	Issue of performance rights & remuneration options to Director – Mr Waldemar Mueller	☐	☐	☐

SGA

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary
Contact Name:		
Email Address:		
Contact Daytime Telephone		Date (DD/MM/YY)
		/ /