



20 December 2021

## ANNUAL GENERAL MEETING – NOTICE AND PROXY FORM

Dear Shareholder

Hexagon Energy Materials Limited (ASX: HXG) (“Hexagon” or the “Company”) is convening its Annual General Meeting (Meeting) to be held at the office of BDO, Level 9, Mia Yellagonga Tower 2, 5 Spring Street, Perth, Western Australia on Thursday, 20 January 2022 at 1.00 pm (AWST).

In accordance with the Treasury Laws Amendment (2021 Measures No. 1) Act 2021 (Cth), the Company will not be dispatching physical copies of the Notice of Annual General Meeting (Notice). Instead, a copy of the Notice, which was released to the ASX on 20 December 2021, can be viewed on the ASX Market Announcements Platform at [www.asx.com.au](http://www.asx.com.au) and under the “ASX Announcements” section of Hexagon’s website at <https://hxgenenergymaterials.com.au>.

The Board has made the decision that the Meeting will be held physically with appropriate social gathering and physical distancing measures in place to comply with applicable restrictions for physical gatherings. If you attend the Meeting in person, you will be required to adhere to COVID-19 protocols in place at the time of the Meeting.

Shareholders are encouraged to submit a proxy vote either online at <https://investor.automic.com.au/#/loginsah>, or by returning the personalised proxy form (enclosed) in accordance with the instructions set out on the proxy form.

Your proxy voting instruction must be received by 1.00 pm (AWST) on 18 January 2022, 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.

Shareholders are invited to email questions to [info@hxgenenergymaterials.com.au](mailto:info@hxgenenergymaterials.com.au) prior to the Meeting’s commencement (1.00 pm AWST). All questions asked, together with the replies, will be available on the Company’s website <https://hxgenenergymaterials.com.au> within 24 hours following the Meeting close.

Circumstances relating to COVID-19 may change rapidly. The Company will update Shareholders if changing circumstances will impact planning or the arrangements for the Meeting by way of announcement on the ASX and the details will also be made available on our website at <https://hxgenenergymaterials.com.au>.

The Notice 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 Pty Limited on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) or Hexagon’s Company Secretary on +61 8 6244 0349.

The Company appreciates the understanding of shareholders during this time.

Yours Sincerely

A handwritten signature in black ink, appearing to read "M Gray", written over a light blue horizontal line.

Merrill Gray  
Managing Director

### HEXAGON ENERGY MATERIALS LIMITED

Australian Business Number (ABN) 27 099 098 192

Registered Office: Suite 3, 7 Kintail Road, Applecross, Western Australia 6153

t: (+61 8) 6244 0349 e: [info@hxgenenergymaterials.com.au](mailto:info@hxgenenergymaterials.com.au) w: [hxgenenergymaterials.com.au](http://hxgenenergymaterials.com.au)

# Hexagon Energy Materials Limited

(ACN 099 098 192)

## Notice of Annual General Meeting and Explanatory Statement

**TIME:** 1.00 pm AWST

**DATE:** 20 January 2022

**PLACE:** BDO, Level 9, Mia Yellagonga Tower 2  
5 Spring Street, Perth, WA 6000

Based on the information available at the date of the Notice of Meeting, the Board considers that it will be in a position to hold a physical meeting with appropriate measures in place to comply with Federal and State COVID-19 restrictions regarding gatherings. However, the Company strongly encourages Shareholders to submit completed Proxy Forms prior to the Meeting in accordance with the instructions set out in the Proxy Form and the Notice of Meeting.

In accordance with the *Treasury Laws Amendment (2021 Measures No. 1) Act 2021* (Cth), the Company will not be sending hard copies of the Notice of Meeting to shareholders. Instead, Shareholders can access a copy of the Notice of Meeting at the following link:

<https://hxgenergymaterials.com.au/investor-centre/asx-announcements/>

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.

If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor, stockbroker or other professional adviser without delay.

Should you wish to discuss the matters in this Notice of Annual General Meeting please do not hesitate to contact the Company Secretary on +61 8 6244 0349.

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is given that an Annual General Meeting of the Shareholders of Hexagon Energy Materials Limited (**Hexagon** or the **Company**) will be held at BDO, Level 9, Mia Yellagonga Tower 2, 5 Spring Street, Perth, WA 6000 on 20 January 2022 commencing at 1.00 pm AWST to consider and, if thought fit, to pass the Resolutions set out below.

Terms used in this Notice of Annual General Meeting and accompanying Explanatory Statement are defined in the glossary to the Explanatory Statement.

The Explanatory Statement which accompanies, and forms part of this Notice of Annual General Meeting describes the matters to be considered at the Annual General Meeting.

### SPECIAL BUSINESS

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#### 1. FINANCIAL STATEMENTS AND REPORTS - YEAR ENDED 30 JUNE 2021

To receive and consider the annual financial statements, the directors' report and the audit report of Hexagon for the year ended 30 June 2021.

Note: there is no requirement for Shareholders to approve these reports.

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#### 2. RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

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

*"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the annual remuneration report as set out in the directors' report for the financial year ended 30 June 2021."*

**Voting exclusion:** The Company will disregard any votes cast on Resolution 1 by any member of the Key Management Personnel of the Company whose remuneration is included in the Remuneration Report, or a Closely Related Party of such member. However, the Company will not disregard any votes cast on Resolution 1 by such person if:

- (a) the person is acting as proxy and the Proxy Form specifies how the proxy is to vote on the Resolution, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chair of the Meeting voting an undirected proxy and their appointment expressly authorises the Chair to exercise the proxy even though Resolution 1 is connected with the remuneration of the Key Management Personnel of the Company.

If you are a member of the Key Management Personnel of the Company or a Closely Related Party of such person (or are acting on behalf of any such person) and purport to cast a vote (other than as a proxy as permitted in the manner set out above), that vote will be disregarded by the Company (as indicated above) and you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

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#### 3. RESOLUTION 2 – ELECTION OF MERRILL GRAY AS A DIRECTOR

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

*"That, for the purpose of clause 14.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Merrill Gray, a Director who was appointed 18 October 2021, retires, and being eligible, is elected as a Director."*

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#### 4. RESOLUTION 3 - RE-ELECTION OF GARRY PLOWRIGHT AS A DIRECTOR

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

*“That Garry Plowright, being a Director of the Company, who retires by rotation in accordance with ASX Listing Rule 14.4 and clause 14.2 of the Company’s Constitution, and being eligible, offers himself for re-election, be re-elected as a Director of the Company.”*

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#### 5. RESOLUTION 4 - APPROVAL OF THE EMPLOYEE SHARE OPTION PLAN

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

*“That for the purpose of ASX Listing Rule 7.2 Exception 13, sections 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the employee incentive scheme known as the Employee Share Option Plan, a summary of which is set out in the Explanatory Statement accompanying this Notice of Annual General Meeting, and the issue of securities there under, until 20 January 2025, as an exception to ASX Listing Rule 7.1.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is eligible to participate in the Employee Share Option Plan or any Associate of those persons. However, this 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;
- (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 this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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

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

However, the above prohibition does not apply if:

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

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## 6. RESOLUTION 5 - APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

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

*“That for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2, for the purpose and on the terms and conditions in the Explanatory Statement accompanying this Notice of Meeting.”*

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## 7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES UNDER THE PLACEMENT

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 ASX Listing Rule 7.4 and for all other purposes, approval is given for the Company to approve and ratify the issue of 56,363,636 Shares issued to sophisticated and professional investors on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting exclusion:** The Company will disregard any votes cast in favour of Resolution by or on behalf of any person who participated in the issue or an Associate of those persons. However, this does not apply to a vote cast in favour of 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.

**DATED: 9 DECEMBER 2021**

**BY ORDER OF THE BOARD OF DIRECTORS**

  
Ian Gregory  
**Company Secretary**

## ENQUIRIES

Shareholders are invited to contact the Company Secretary at [info@hxgenenergymaterials.com.au](mailto:info@hxgenenergymaterials.com.au) or +61 8 6244 0349 if they have any queries in respect of the matters set out in this document.

*The Notice of Annual General Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor, stockbroker or other professional adviser prior to voting.*



## EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Annual General Meeting to be held at 1.00 pm AWST on 20 January 2022 at BDO, Level 9, Mia Yellagonga Tower 2, 5 Spring Street, Perth, WA 6000.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Annual General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting preceding this Explanatory Statement. Capitalised terms in this Explanatory Statement are defined in the glossary to this document.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice of Annual General Meeting, please contact the Company Secretary, your accountant, solicitor, stockbroker or other professional advisor before voting.

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### 1. FINANCIAL STATEMENTS AND REPORTS – YEAR ENDED 30 JUNE 2021

The Corporations Act requires the annual financial report, directors' report and the auditor's report (**Annual Financial Statements**) be received and considered at the Annual General Meeting. The Annual Financial Statements for the year ended 30 June 2021 are included in the Company's annual financial report, a copy of which can be accessed at [www.hxgenergymaterials.com.au](http://www.hxgenergymaterials.com.au). Alternatively, a hard copy will be made available on request.

There is no requirement for Shareholders to approve these reports and no vote will be taken on the Annual Financial Statements. However, Shareholders attending the Annual General Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Annual Financial Statements and the management of the Company.

The Company's auditor, BDO Audit (WA) Pty Ltd, will be present at the Annual General Meeting and Shareholders will have the opportunity ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies, and the independence of the auditor.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the auditor's report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the Annual Financial Statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the meeting date to the Company Secretary at [info@hxgenergymaterials.com.au](mailto:info@hxgenergymaterials.com.au).

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### 2. RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

#### 2.1 Background

Pursuant to section 250R(2) of the Corporations Act, the Company submits to Shareholders for consideration and adoption, by way of a non-binding resolution, its remuneration report for the year ended 30 June 2021 (the **Remuneration Report**). The Remuneration Report is a distinct section of the annual directors' report (the **Directors' Report**) which deals with the remuneration of Directors, executives and senior managers of the Company. More particularly, the Remuneration Report can be found within the Directors' Report in the Company's 2021



Annual Report. The Annual Report is available on the Company's website at [www.hxgenergymaterials.com.au](http://www.hxgenergymaterials.com.au).

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out the remuneration details for each Director and executive officer named in the Remuneration Report for the financial year ended 30 June 2021.

The remuneration levels for Directors, executives and senior managers are competitively set to attract and retain appropriate Directors and key management personnel.

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

## 2.2 Regulatory Requirements

The Corporations Act provides that Resolution 1 need only be an advisory vote of Shareholders and does not bind the Directors. However, the Corporations Act provides that if the Company's Remuneration Report resolution receives a "no" vote of 25% or more of votes cast at the Annual General Meeting, the Company's subsequent Remuneration Report must explain the Board's proposed action in response or, if the Board does not propose any action, the Board's reasons for not making any changes. The Board will take into account the outcome of the vote when considering the remuneration policy, even if it receives less than a 25% "no" vote.

In addition, sections 250U and 250V of the Corporations Act sets out a "two strikes" re-election process, pursuant to which:

- (a) if, at a subsequent annual general meeting (**Later Annual General Meeting**), at least 25% of the votes cast on a resolution that the remuneration report be adopted are against the adoption of that remuneration report;
- (b) at the immediately preceding annual general meeting (**Earlier Annual General Meeting**), at least 25% of the votes cast on a resolution that the remuneration report be adopted were against the adoption of that remuneration report; and
- (c) a resolution was not put to the vote at the Earlier Annual General Meeting under an earlier application of section 250V of the Corporations Act,

then the Company must put to vote at the Later Annual General Meeting a resolution, requiring Shareholders to vote on whether the Company must hold another general meeting (**Spill Meeting**) to consider the appointment of all of the Directors at the time the Directors Report was approved by the Board who must stand for re-appointment (other than the Managing Director) (**Spill Resolution**). The Spill Resolution may be passed as an ordinary resolution.

If the Spill Resolution is passed, the Spill Meeting must be held within 90 days after the Spill Resolution is passed. All of the Company's Directors who were Directors at the time when the resolution to make the Directors' Report was passed (excluding the Managing Director of the Company who may, in accordance with the ASX Listing Rules, continue to hold office indefinitely without being re-elected to the office) cease to hold office immediately before the end the Spill Meeting and may stand for re-election at the Spill Meeting.

At the Company's 2020 annual general meeting, less than 25% of the eligible votes cast in respect of the 2020 Remuneration Report were cast against the adoption of 2020 Remuneration Report. Accordingly, a Spill Resolution will not be put to the Meeting even if 25% or more of the votes cast in respect of the 2021 Remuneration Report are against the adoption of the 2021 Remuneration Report.

## 2.3 Board Recommendation

Each of the Directors has an interest in the outcome of Resolution 1 and accordingly does not make a voting recommendation to Shareholders.

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### **3. RESOLUTION 2 – ELECTION OF MERRILL GRAY AS A DIRECTOR**

#### **3.1 Background**

Clause 14.4 of the Company's Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

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

Merrill Gray, having been appointed by other Directors on 18 October 2021 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

Ms Gray has a track record in attracting private sector investment into new and emerging energy technologies and in the commercial scale up of new technologies and understands battery materials markets. Her most recent role was as Executive Director of Lithium Australia NL's Battery Materials business where she focussed on commercial scale global expansion. She has led companies in hydrogen and renewables and contributed strategically and operationally to value creation in well-known Nickel and Gold producers. Ms Gray's combined Engineering, Science and Business backgrounds and extensive practical leadership, relevant industry technical knowledge and experience as an early mover in Hydrogen, significantly adds to the Hexagon team.

#### **3.2 Board Recommendation**

The Directors (other than Merrill Gray) unanimously recommend that Shareholders vote in favour of Resolution 2.

The Chairman of the Meeting intends to vote undirected proxies in favour of the Resolution.

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### **4. RESOLUTION 3 - RE-ELECTION OF GARRY PLOWRIGHT AS A DIRECTOR**

#### **4.1 Background**

In accordance with ASX Listing Rule 14.5 and clause 14.2 of the Constitution, at every annual general meeting an election of Directors must take place. ASX Listing Rule 14.4 prevents a Director from holding office (without re-election) past the third annual general meeting following the Director's appointment or 3 years, whichever is longer.

For this reason, Garry Plowright retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Garry Plowright has extensive experience in the resources sector, having a background in mining law and administration, as well as regulatory process and mine development. Garry Plowright has held board and senior management positions in both Australia and South Korea.

Further details about Garry Plowright are set out in the Company's 2021 Annual Report which is available at [www.hxgenenergymaterials.com.au](http://www.hxgenenergymaterials.com.au).

#### **4.2 Board Recommendation**

The Directors (other than Garry Plowright) unanimously recommend that Shareholders vote in favour of Resolution 3.

The Chairman of the Meeting intends to vote undirected proxies in favour of the Resolution.

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### **5. RESOLUTION 4 - APPROVAL OF THE EMPLOYEE SHARE OPTION PLAN**

#### **5.1 Background**

The Directors considered that it was desirable to establish an employee equity incentive plan pursuant to which employees may be offered the opportunity to be granted performance rights

(Performance Rights) or options (Options) to acquire Shares in the Company. Accordingly, the Directors adopted the Employee Share Option Plan (**ESOP**) on 26 September 2017.

The purpose of the ESOP is to:

- (a) reward employees of the Company;
- (b) assist in the retention and motivation of employees of the Company; and
- (c) provide an incentive to employees of the Company to grow shareholder value by providing them with an opportunity to receive an ownership interest in the Company.

The Board is seeking shareholder approval for the ESOP in accordance with the ASX Corporate Governance Council's Principles and Recommendations (4th Edition).

In addition, approval is sought under ASX Listing Rule 7.2 (Exception 13) which provides an exemption from the ASX Listing Rule 7.1 15% annual limit on securities issued under an employee share incentive scheme provided, within three years before the date of issue, shareholders have approved the issue of securities under the ESOP. In the absence of such approval, the issue can still occur but is counted as part of the ASX Listing Rule 7.1 15% limit which would otherwise apply during a 12 month period.

## 5.2 Regulatory Requirements – ASX Listing Rules

The following information is provided to Shareholders for the purpose of ASX Listing Rule 7.2 Exception 13:

(a) **Summary of ESOP**

A summary of the terms of the ESOP is set out in Schedule 1.

(b) **Previous issues of securities under the ESOP**

The Company has issued the following securities under the ESOP since the date of the last approval on 26 September 2017:

Date of Issue	Securities
17 October 2017	8,282,500 Incentive options exercisable at 15 cents on or before 16 October 2020
17 October 2017	8,282,500 Incentive options exercisable at 17 cents on or before 16 October 2020
17 October 2017	8,282,500 Incentive options exercisable at 21 cents on or before 16 October 2020
17 October 2017	1,570,000 Incentive shares
7 June 2018	504,545 Incentive Shares
7 June 2018	3,000,000 Performance Rights
4 February 2019	200,000 Incentive Shares
4 February 2019	1,600,000 Performance Rights

(c) **Maximum number of Equity Securities**

Where an offer is made in reliance on ASIC Class Order 14/1000, the total number of Shares issued (or in the case of performance rights and options, the total number of Shares which would be issued if those performance rights or options were exercised) must not exceed 22,300,691 Shares, being 5% of the total number of Shares currently on issue.

(d) **Voting Exclusion Statement**

A voting exclusion statement for Resolution 4 is included in the Notice of Annual General Meeting preceding this Explanatory Statement.

### 5.3 **Regulatory Requirements - Corporations Act**

The Corporations Act restricts the benefits that can be given to persons who hold a “managerial or executive office” (as defined in the Corporations Act) on leaving their employment with the Company or any of its related bodies corporate.

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office if the benefit is approved by shareholders or an exemption applies.

The term “benefit” has a wide meaning and may include benefits resulting from the Board exercising certain discretions under the rules of the ESOP.

If Shareholder approval is given under this Resolution the Company will still be required to comply with ASX Listing Rules 10.18 and 10.19, which place restrictions on the circumstances in which termination benefits can be paid and a cap on the value of termination benefits that can be paid to officers of the Company.

#### **Details of Termination Benefit**

The Board possesses the discretion to determine, where a participant ceases employment before the vesting or exercise of their securities issued under the ESOP, that some or all of the securities issued under the ESOP do not lapse.

The exercise of this discretion may constitute a “benefit” for the purposes of section 200B of the Corporations Act.

In addition, a participant may become entitled to accelerated vesting or automatic vesting of securities issued under the ESOP if there is a change of control of the Company. This accelerated or automatic vesting of securities issued under the ESOP may constitute a “benefit” for the purposes of section 200B of the Corporations Act.

The Company is therefore seeking Shareholder approval for the exercise of the Board’s discretions and for the provision of such accelerated or automatic vesting rights in respect of any current or future participant in the Employee Share Option Plan who holds:

- (a) a managerial or executive office in the Company (or any of its related body corporate) at the time of their leaving or at any time in the three years prior to their leaving; and
- (b) securities issued under the ESOP at the time of their leaving.

The Board’s current intention is to only exercise the above discretion:

- (a) where the employee leaves employment without fault on their part; and
- (b) so as only to preserve that number of unvested securities issued under the ESOP as are pro-rated to the date of leaving.

Provided Shareholder approval is given, the value of these benefits may be disregarded when applying section 200F(2)(b) or section 200G(1)(c) of the Corporations Act (i.e. the approved benefit will not count towards the statutory cap under the legislation).

#### **Value of the Termination Benefits**

The value of the termination benefits that the Board may give under the ESOP cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company’s Share price at the time of vesting and the number of securities issued under the ESOP that vest.

The following additional factors may also affect the benefit’s value:

- (a) the participant’s length of service and the portion of vesting periods at the time they cease employment;

- (b) the status of the performance hurdles attaching to the securities issued under the ESOP at the time the participant's employment ceases; and
- (c) the number of unvested securities issued under the ESOP that the participant holds at the time they cease employment or at the time the change of control occurs (as applicable).

#### 5.4 Board Recommendation

Each of the Directors has an interest in the outcome of Resolution 4 and accordingly does not make a voting recommendation to Shareholders.

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## 6. RESOLUTION 5 - APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

### 6.1 Background

ASX Listing Rule 7.1A enables an eligible entity to issue Equity Securities of up to 10% of its issued ordinary share capital through placements over a 12 month period following the entity's annual general meeting (**Additional 10% Placement Facility**). The Additional 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less, as at the time of the entity's annual general meeting.

The Company is an eligible entity as at the time of this Notice of Annual General Meeting and is expected to be an eligible entity as at the time of the Annual General Meeting.

Resolution 5 seeks Shareholder approval to enable the Company to issue Equity Securities under the Additional 10% Placement Facility. The effect of Resolution 5 will be to allow the Directors to issue Equity Securities under ASX Listing Rule 7.1A during the period set out below.

Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at the Annual General Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

If Resolution 5 is passed, the Company will be able to issue Equity Securities up to a combined 25% limit in ASX Listing Rules 7.1 and 7.1A without further Shareholder approval.

If Resolution 5 is not passed, the Company will not be able to access the additional 10% placement capacity to issue quoted Equity Securities without Shareholder approval available under ASX Listing Rule 7.1A and will remain subject to the 15% limit on issuing (or agreeing to issue) Equity Securities without Shareholder approval set out in ASX Listing Rule 7.1.

The exact number of Equity Securities that the Company may issue under the Additional 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to section 6.2(d) of this Notice of Annual General Meeting below).

The Company is seeking a mandate to issue securities under the Additional 10% Placement Facility to enable the Company to pursue its growth strategy with the flexibility to act quickly as potential business opportunities arise.

### 6.2 Regulatory Requirements

In compliance with the information requirements of ASX Listing Rule 7.3A, Shareholders are advised of the following information:

#### (a) Issue Period

If Shareholders approve Resolution 5, the Company will have a mandate to issue Equity Securities under the Additional 10% Placement Facility under ASX Listing Rule 7.1A from the date of the Annual General Meeting until the earlier of the following to occur:

- (i) the date that is 12 months after the date of the Annual General Meeting;
- (ii) the time and date of the Company's next annual general meeting; and

- (iii) the time and date of the approval by Shareholders of a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(the **Additional 10% Placement Period**).

The Company will only issue Equity Securities during the Additional 10% Placement Period.

(b) **Minimum Issue Price**

Equity securities issued under the Additional 10% Placement Facility must be in the same class as an existing class of quoted Equity Securities of the Company. As at the date of this Notice of Annual General Meeting, the Company has on issue one class of quoted Equity Securities, being Shares.

The issue price of Equity Securities issued under the Additional 10% Placement Facility must not be lower than 75% of the volume weighted average price for securities in the same class calculated over the 15 trading days on which trades in that class were conducted immediately before:

- (i) the date on which the Equity Securities are issued; or
- (ii) the date on which the price of Equity Securities is agreed, provided that the issue is thereafter completed within 10 trading days.

(c) **Purpose of Issues**

The Company may seek to issue the Equity Securities to raise funds in connection with ongoing studies and/or drilling at Pedirka, further exploration at McIntosh and for working capital.

The Company will provide further information at the time of issue of any Equity Securities under the Additional 10% Placement Facility in compliance with its disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A.

(d) **Dilution**

As at the date of this Notice of Annual General Meeting, the Company has 446,013,827 Shares on issue. Accordingly, if Shareholders approve Resolution 5, the Company will have the capacity to issue approximately 44,601,382 Equity Securities under the Additional 10% Placement Facility in accordance with ASX Listing Rule 7.1A.

The precise number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the following formula:

**(A x D) – E**

**A =** the number of fully paid shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX Listing Rule 7.1 and 7.4; and
- (iv) less the number of fully paid shares cancelled in the 12 months.

*Note that A is has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

**D =** 10%

**E =** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rule 7.1 or 7.4.

If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Facility, existing Shareholders' voting power in the Company will be diluted as shown in the table below (in the case of Listed Options, only if the Listed Options are exercised). There is a risk that:

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

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

The table also shows:

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

Variable "A" in ASX Listing Rule 7.1A.2		Dilution		
		\$0.0395 50% decrease in Issue Price	\$0.079 Issue Price	\$0.158 100% increase in Issue Price
<b>Current Variable A</b> 446,013,827 Shares	Shares issued (10% Voting Dilution)	44,601,382 New Shares	44,601,382 New Shares	44,601,382 New Shares
	Funds raised	\$1,761,754.58	\$3,523,509.17	\$7,047,018.35
<b>50% increase in current Variable A</b> 669,020,740 Shares	Shares issued (10% Voting Dilution)	66,902,074 New Shares	66,902,074 New Shares	66,902,074 New Shares
	Funds raised	\$2,642,631.92	\$5,285,263.84	\$10,570,527.69

<b>100% increase in current Variable A</b> 892,027,654 Shares	Shares issued (10% Voting Dilution)	89,202,765 New Shares	89,202,765 New Shares	89,202,765 New Shares
	Funds raised	\$3,523,509.21	\$7,047,018.43	\$14,094,036.87

**The table has been prepared on the following assumptions:**

1. Variable A is 446,013,827 being the number of ordinary securities on issue at the date of this Notice of Meeting.
2. The Company issues the maximum number of Equity Securities available under the Additional 10% Placement Facility.
3. No Options (including any Listed Options issued under the Additional 10% Placement Facility) or Performance Rights are exercised into Shares before the date of issue of the Equity Securities.
4. The Company has not issued any other Equity Securities using its placement capacity under ASX Listing Rule 7.1 or 7.1A in the 12 months preceding this Notice of Meeting.
5. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
6. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1.
8. The issue of Equity Securities under the Additional 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
9. The issue price is \$0.079, being the closing price of the Shares on ASX on 7 December 2021, being the last trading day before the date of this Notice of Annual General Meeting.

**(e) Allocation Policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Additional 10% Placement Facility. The identity of the persons to which the Company will issue the Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The persons to whom the Company will issue Equity Securities under the Additional 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and / or new Shareholders who are not related parties or associates of a related party of the Company.



Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the persons to whom the Company will issue Equity Securities under the 10% Placement Facility will be the vendors of the new resources assets or investments.

(f) **Previous issues of Equity Securities under ASX Listing Rule 7.1A**

The Company previously obtained Shareholder approval under ASX Listing Rule 7.1A at its 2020 Annual General Meeting held on 25 November 2020.

ASX Listing Rule 7.3A.6 requires the Notice of Meeting to include details of the total number of Equity Securities issued under ASX Listing Rule 7.1A.2 by the Company in the 12 months preceding the date of the Meeting and the percentage they represent of the total number of Equity Securities on issue at the commencement of that 12 month period. During that 12 month period, no Equity Securities were issued or agreed to be issued under ASX Listing Rule 7.1A.2 by the Company.

(g) **Voting exclusion statement**

No voting exclusion statement applies to Resolution 5.

At the date of the Notice of Annual General Meeting, the Company has not approached any particular existing security holder or an identifiable class of existing security holders to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice of Annual General Meeting.

### **6.3 Board Recommendation**

The Board believes that the Additional 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months. Accordingly, the Board unanimously recommend that Shareholders approve Resolution 5.

The Chairman of the Meeting intends to vote undirected proxies in favour of the Resolution.

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## **7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES UNDER THE PLACEMENT**

### **7.1 Background**

The purpose of Resolution 6, is for Shareholders to ratify the issue of 56,363,636 Shares which were issued in accordance with ASX Listing Rule 7.1 (**Placement Shares**) to a number of sophisticated and professional investors, undertaken as part of a capital raising (**Placement**), as announced to the ASX on 3 May 2021.

The Placement Shares the subject of Resolution 6 were issued without shareholder approval using the entity's 15% placement capacity under ASX Listing Rule 7.1.

Resolution 6 seeks the approval of Shareholders pursuant to ASX Listing Rule 7.4 to ratify the issue of the Placement Shares.

### **7.2 Regulatory requirements**

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

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

ASX 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 ASX 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 maintain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain shareholder approval under ASX Listing Rule 7.1.

To this end, Resolution 6 seeks shareholder approval of the issue of the Placement Shares issued in accordance with ASX Listing Rule 7.1 under and for the purposes of ASX Listing Rule ASX 7.4.

If Resolution 6 is passed, the issue of the Placement Shares will be excluded in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without shareholder approval over the 12-month period following the date of the Placement.

If Resolution 6 is not passed, the issue of the Placement Shares will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without shareholder approval over the 12-month period following the date of the Placement.

The Placement Shares issued, for which approval and ratification is sought under Resolution 6 comprise 12.52%<sup>1</sup> of the Company's fully diluted issued capital (based on the number of Shares and Options on issue as at the date of this Notice).

### 7.3 Resolution 6 - Information required by ASX Listing Rule 7.5

In compliance with the information requirements of ASX Listing Rule 7.5, Shareholders are advised of the following information in relation to Resolution 6:

(a) **The names of the persons to whom the entity issued or agreed to issue the securities or the basis on which those persons were identified and selected**

As announced to the ASX on 3 May 2021, the Placement Shares were issued to sophisticated and professional investors using the Company's 15% placement capacity under ASX Listing Rule 7.1. The subscribers were introduced to the Company by 180 Markets Pty Ltd as Lead Manager from the Lead Manager's client base. None of the subscribers in the Placement are related parties of the Company or Material Investors.

(b) **Number of securities and class of securities issued**

Under Resolution 6, the Company seeks Shareholder approval for, and ratification of, the issue of 56,363,636 Shares.

(c) **Terms of the securities**

The Shares are fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with existing Shares.

The Company has applied to ASX for official quotation of these Shares.

(d) **Date of issue**

The Placement Shares were issued on 6 May 2021.

(e) **Issue price or other consideration**

The issue price for the Placement Shares was \$0.11 per Share, being a 9.5% discount to the 30-day VWAP of shares trading on ASX for the period ending 3 May 2021.

(f) **Purpose of the issue, including the intended use of the funds raised**

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<sup>1</sup> This percentage is based on the total number of HXG shares and options on issue at the date of this Notice, being 450,013,827 (rounded to two decimal places).

The issue of the Placement Shares was to raise capital for the for development of the Pedirka project including PFS and drilling, exploration of Halls Creek Gold project, working capital and the costs of issue.

(g) **Relevant agreement**

The Placement Shares were not issued pursuant to any agreement.

(h) **Voting exclusion statement**

A voting exclusion statement for Resolution 6 is included in this Notice preceding this Explanatory Statement.

**7.4 Board recommendation**

The Board believes that the ratification of these issues is beneficial for the Company as it allows the Company to ratify the above issue of securities and retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months without the requirement to obtain prior Shareholder approval. Accordingly, the Board recommends Shareholders vote in favour of Resolution 6.

The Chairman of the Meeting intends to vote undirected proxies in favour of the Resolution.

## GLOSSARY

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

<b>\$</b>	an Australian dollar
<b>Annual Financial Statements</b>	has the meaning given to that term in section 1 of the Explanatory Statement
<b>Annual General Meeting or Meeting</b>	the Annual general meeting convened by this Notice of Meeting
<b>Annual Report</b>	means the Company's 2021 Annual Report for the financial year ended 30 June 2021
<b>Associate</b>	has the meaning given to that term in the Corporations Act
<b>ASX</b>	ASX Limited (ACN 008 624 691) or the securities market operated by ASX Limited, as the context requires
<b>ASX Listing Rules</b>	the official ASX Listing Rules of the ASX
<b>AWST</b>	Australian Western Standard Time
<b>Board</b>	Board of Directors of Hexagon
<b>Chair</b>	Chair of the Annual General Meeting
<b>Closely Related Party</b>	of a member of the Key Management Personnel means: <ul style="list-style-type: none"><li>(a) a spouse or child of the member;</li><li>(b) a child of the member's spouse;</li><li>(c) a dependent of the member or the member's spouse;</li><li>(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;</li><li>(e) a company the member controls; or</li><li>(f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act</li></ul>
<b>Constitution</b>	means the constitution of the Company.
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth)
<b>Director</b>	a director of the Company and of each Subsidiary
<b>Director's Report</b>	has the meaning given to that term in section 2 of the Explanatory Statement
<b>Employee Share Option Plan</b>	means the Employee Share Option Plan, adopted by the Company 26 September 2017
<b>Equity Securities</b>	has the same meaning as in the ASX Listing Rules

<b>Explanatory Statement</b>	the explanatory statement that accompanies this Notice of Meeting
<b>Halls Creek Gold Project</b>	means the prospective gold and base metal exploration project, located in the historic gold and base metals mining province of the East Kimberley region of Western Australia
<b>Hexagon or the Company</b>	Hexagon Energy Materials Limited (ACN 099 098 192)
<b>Key Management Personnel</b>	has the meaning given to that term in section 9 of the Corporations Act.
<b>Material Investors</b>	Includes the following: <ul style="list-style-type: none"> <li>(i). a related party of the entity;</li> <li>(ii). a member of the entity's key management personnel;</li> <li>(iii). a substantial holder in the entity;</li> <li>(iv). an adviser to the entity; or</li> <li>(v). an associate of any of the above,</li> <li>(vi). where such person or entity is being issued more than 1% of the entity's current issued capital.</li> </ul>
<b>McIntosh</b>	means the McIntosh Project which comprises 16 tenements spanning ~550km <sup>2</sup> in the East Kimberley region of Western Australia
<b>Notice of Meeting or Notice of Annual General Meeting</b>	this Notice of the Meeting
<b>Pedirka Project</b>	means the project located in the Pedirka Basin south east of Alice Springs in the North Territory
<b>Placement</b>	has the meaning given to that term in section 7.1
<b>Placement Shares</b>	has the meaning given to that term in section 7.17.1
<b>Remuneration Report</b>	has the meaning given to that term in section 2 of the Explanatory Statement
<b>Resolutions</b>	the resolutions contained in this Notice of Meeting and <b>Resolution</b> means one of the resolutions as required
<b>Share</b>	fully paid ordinary share in the capital of the Company
<b>Shareholder</b>	holder of a Share in the Company
<b>Share Registry</b>	means Automic Registry Services
<b>VWAP</b>	mean Volume Weighted Average Price

## SCHEDULE 1 – MATERIAL TERMS OF THE EMPLOYEE SHARE OPTION PLAN

A summary of the material terms of the Employee Share Option Plan (**ESOP**) are detailed below:

Clause	Summary
<b>Eligible Persons</b>	Means a Director or any full or part-time continuing employee of a Group Company (being the Company and its Subsidiaries and Associated Companies), or a casual employee or contractor if permitted by the ASIC Class Order 14/1000 (as amended or replaced), whom the Board otherwise determines in its absolute discretion is to participate in the ESOP.
<b>Option</b>	Means an option issued under the ESOP to subscribe for a Share.
<b>Purpose</b>	<p>The purpose of the ESOP is to:</p> <ul style="list-style-type: none"> <li>(a) provide Eligible Persons with an additional incentive to work to improve the performance of the Company;</li> <li>(b) attract and retain Eligible Persons essential for the continued growth and development of the Company;</li> <li>(c) promote and foster loyalty and support amongst Eligible Persons for the benefit of the Company; and</li> <li>(d) enhance the relationship between the relevant Group Company and the Eligible Persons for the long term mutual benefit of all parties.</li> </ul>
<b>Eligibility</b>	The Board may from time to time determine that any Eligible Person is entitled to participate in the ESOP and the extent of that participation. The Board must consider, where appropriate, a person's seniority, length of service, record of employment, contractual history, contribution to the Company's growth, existing participation in the ESOP and any other relevant matters.
<b>Offer and application</b>	<p>An application to be issued Options or Performance rights may be made by Eligible Persons invited to participate in the ESOP using the acceptance form which will accompany the invitation to participate in the ESOP. The Company may in its absolute discretion offer options to any Eligible Person at such times and on such terms as the Board considers appropriate.</p> <p>The invitation to an Eligible Person to participate in the ESOP will include:</p> <ul style="list-style-type: none"> <li>(a) whether the Option issued may incorporate performance related factors;</li> <li>(b) the number of Options or Performance Rights to be issued to an Eligible Person;</li> <li>(c) the method of calculation of the Exercise Price; and</li> <li>(d) the periods in which the Options or Performance Rights may be exercised or will vest.</li> </ul>

<p><b>Options not transferrable</b></p>	<p>An Option or Performance Right is not to be transferrable except with the approval of the Board or where a Holder (being the Eligible Person who holds the relevant security issued under the ESOP) dies. Where a Holder has died, the deceased Holder's legal representative may</p> <ul style="list-style-type: none"> <li>(a) elect to be registered as the new Holder of the deceased Holder's Options or Performance Rights;</li> <li>(b) whether or not he becomes so registered, exercise those Options or Performance Rights as if he were the Holder of them in accordance with these Rules; and</li> <li>(c) if the deceased Holder had already given the Company a notice of exercise of his Options, pay the Exercise Price in respect of those Options.</li> </ul>
<p><b>Acquisition Price</b></p>	<p>The method of calculation of the Exercise Price of each Option will be determined by the Board with regard to the market value of the Shares when it resolves to offer the Option. The Exercise Price of each Option will be determined by the Board when it resolves to offer the Option and will be not less than 80% of the market value of the Shares.</p>
<p><b>Lapse of Options</b></p>	<p>Unless the Directors in their absolute discretion determine otherwise, Options and Performance Rights shall lapse in the following circumstances:</p> <ul style="list-style-type: none"> <li>(a) upon the Expiry Date (being the date determined by the Board prior to the offer of the relevant security issued under the ESOP);</li> <li>(b) the date the Board makes a determination, in circumstances where Performance Hurdles (being the conditions relating to the performance of the Company for the purposes of determining whether the Eligible Person may exercise their securities issued under the ESOP) have not been satisfied on the final date determined by the Board to be capable of satisfaction;</li> <li>(c) immediately, in circumstances where an Eligible Person ceases to be an Eligible Person for any reason other than retirement, total and permanent disability, redundancy or death.</li> <li>(d) within 3 months of the date of retirement, total and permanent disability, redundancy or death; or such longer period as the Board determines, in circumstances where an Eligible Person ceases to be an Eligible Person for retirement, total and permanent disability, redundancy or death.</li> </ul>
<p><b>Rights attaching to Shares</b></p>	<p>Shares allotted upon exercise of the Options or Performance rights will in all respects, including new issues, rank equally and, in particular, entitle the holders of Shares to participate fully in:</p> <ul style="list-style-type: none"> <li>(a) dividends declared by the Company after the date of allotment; and</li> <li>(b) all issues of securities made or offered pro rata to holders of Shares.</li> </ul>

<p><b>Change of Control</b></p>	<p>All Options and Performance Rights may be exercised at any time after a Change of Control Event has occurred.</p> <p>A Change of Control Event means:</p> <ul style="list-style-type: none"> <li>(a) a takeover bid (as defined in the Corporations Act) to acquire any Shares becomes or is declared to be unconditional, irrespective of whether the takeover bid extends to Shares issued and allotted after the date of the takeover bid or not; or</li> <li>(b) a shareholder, or a group of associated shareholders, becoming entitled to sufficient Shares to give it or them the ability in general meeting, to replace all or a majority of the Board; or</li> <li>(c) an application is made under section 411 of the Corporations Act or a court orders a meeting to be held concerning a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company.</li> </ul>
<p><b>Quotation</b></p>	<p>The Options will not be quoted on the ASX. However, application will be made to the ASX for official quotation of the Shares issued on the exercise of the Options or Performance Rights.</p>



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

Your proxy voting instruction must be received by **1.00pm (AWST) on Tuesday, 18 January 2022**, 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 VOTE ONLINE

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

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

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



## SUBMIT YOUR PROXY VOTE BY PAPER

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>.



