

ASX Market Announcements  
ASX Limited

## 2021 Notice of Annual General Meeting

The Market Herald Limited (ASX: THM) (**The Market Herald** or **the Company**) advises that the Annual General Meeting of the Company (**Meeting**) will be held virtually on Monday, 15 November 2021 at 10:00am (AWST).

As permitted by the *Corporations Act 2001* (Cth), the Company will not be sending hard copies of the Notice of Meeting (**Notice**) unless the shareholder has made a valid election to receive documents in hard copy. The Notice and accompanying explanatory memorandum can be viewed and downloaded from the Company's website at [www.themarketherald.com.au](http://www.themarketherald.com.au).

Due to continually uncertain and evolving circumstances concerning COVID-19, and the potential health risks posed by the COVID-19 pandemic, the Company will not hold an "in-person" Meeting and will instead hold the Meeting virtually.

Shareholders who choose to participate in the virtual meeting will have a reasonable opportunity to view the Meeting live, exercise a right to speak (including a right to ask questions) orally at the Meeting and to cast votes in real time on a poll during the Meeting. The Company strongly encourages shareholders to submit their proxy forms prior to the Meeting. Further details on attendance at the Meeting and information on the live videoconference are set out in the Notice.

The Directors of the Company appreciate the understanding of shareholders under the current circumstances.

Yours faithfully,

Ben Donovan  
Company Secretary

This release has been authorised by the Company Secretary.

# The Market Herald

FIRST WITH THE NEWS THAT MOVES MARKETS

ACN 611 717 036

## NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held as follows:

**Time and date:** 10:00am (AWST) on Monday,  
15 November 2021

**Virtual Meeting link:** <https://us02web.zoom.us/j/86311870819>

*The Notice of Annual General Meeting 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 or other professional adviser prior to voting.*

***Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 6169 3112***

Shareholders are urged to vote by lodging the Proxy Form.

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# THE MARKET HERALD LIMITED

ACN 611 717 036

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of The Market Herald Limited (**Company**) will be held virtually at 10:00am (AWST) on Monday, 15 November 2021 (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

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 as Shareholders on Saturday, 13 November 2021 at 10:00am (AWST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

## AGENDA

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### 1. Annual Report

To consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2021, which includes the Financial Report, the Directors' Report and the Auditor's Report.

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### 2. Resolution 1 - Remuneration Report

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

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company’s annual financial report for the financial year ending 30 June 2021.”*

#### Voting Prohibition:

The Company will disregard any votes cast on Resolution 1 by, or on behalf of:

- (a) a member of the Key Management Personnel as disclosed in the Remuneration Report; and
- (b) a Closely Related Party of those persons.

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

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to

vote on this Resolution; or

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

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### 3. Resolution 2 - Re-election of Director - Mr Alec Pismiris

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

*"That Mr Alec Pismiris, who retires in accordance with clause 7.3(a) of the Constitution and Listing Rule 14.4 and being eligible, offers himself for election, be elected as a Director."*

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### 4. Resolution 3 - Approval of 10% Placement Facility

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

*"That approval is given for the Company to have the additional capacity (ie, 10% Placement Facility) to issue Equity Securities under Listing Rule 7.1A, for the period specified in Listing Rule 7.1A.1 and in accordance with the formula prescribed in Listing Rule 7.1A.2."*

**Voting Exclusion:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in an issue of Shares under the 10% Placement Facility or any person who may obtain a material benefit as a result of an issue of Shares under the 10% Placement Facility, except a benefit solely by reason of being a Shareholder; or an associate of that person.

However, the Company need not disregard a vote if:

- (a) it is cast by 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 on the Resolution in that way;
- (b) it is cast by the Chairman as proxy or attorney for a person who is entitled to vote, in accordance with the direction given to the to vote on the Resolution as the Chair decides; or
- (c) it is cast by 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 they are not 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.

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## 5. Resolution 4 - Approval for the adoption of an Employee Securities Incentive Plan

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

*'That, pursuant to and in accordance with exception 13(b) of Listing Rule 7.2 and for all other purposes, Shareholders approve the establishment of the employee incentive scheme of the Company known as the "The Market Herald Limited Employee Securities Incentive Plan" and the issue of Securities under that plan, on the terms and conditions in the Explanatory Memorandum.'*

### **Voting Exclusion:**

The Company will disregard any votes cast in favour of this by or on behalf of any person who is eligible to participate in the Plan 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 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;
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the direction given to the Chairman to vote on the Resolution as the Chairman 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 direction given by the beneficiary to the holder to vote in that way.

### **Voting Prohibition:**

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

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

However, the above prohibition does not apply if:

- (a) the proxy is the Chairman; and

- (b) the appointment expressly authorises the Chairman 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 potential termination benefits under the Plan**

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

*'That conditional on Resolution 4 being approved, for a period commencing from the date this Resolution is passed and ending upon the expiry of all Securities issued or to be issued under the "The Market Herald Limited Employee Securities Incentive Plan", approval be given for all purposes including Part 2D.2 of the Corporations Act for the giving of benefits to any current or future person holding a managerial or executive office of the Company or a related body corporate in connection with that person ceasing to hold such office, on the terms and conditions in the Explanatory Statement.'*

### **Voting Prohibitions:**

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

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

However, the above prohibition does not apply if:

- (a) the proxy is the Chairman; 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.

Further, a vote on this Resolution must not be cast by any participants or potential participants in the Plan and their associates, otherwise the benefit of this Resolution will be lost by such a person in relation to that person's future retirement. However, a vote may be cast by such a person if:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; and
  - (b) it is not cast on behalf of the person or an associate of the person.
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## **7. Resolution 6 - Replacement of Constitution**

To consider and, if thought fit, to pass, with or without amendment, the following

Resolution as a special resolution:

*“That, pursuant to and in accordance with section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt the Proposed Constitution in its place in the form of the document tabled at the Meeting and signed by the Chair for the purposes of identification.”*

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BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'Alec Pismiris', with a stylized initial 'A' and a horizontal line extending to the right.

Alec Pismiris

Non-Executive Chairman

11 October 2021

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# THE MARKET HERALD LIMITED

ACN 611 717 036

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## EXPLANATORY MEMORANDUM

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### 1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at 10:00am (AWST) on Monday, 15 November 2021.

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Annual Report
Section 4:	Resolution 1 - Remuneration Report
Section 5:	Resolution 2 - Re-election of Director - Mr Alec Pismiris
Section 6:	Resolution 3 - Approval of 10% Placement Facility
Section 7:	Resolutions 4 - Approval for the adoption of an Employee Securities Incentive Plan
Section 8:	Resolution 5 - Approval of potential termination benefits under the Plan
Section 9:	Resolution 6 - Replacement of Constitution
Schedule 1:	Definitions
Annexure A:	Summary of Employee Securities Incentive Plan

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### 2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

#### 2.1 Attendance "in-person" not permitted

Given the current COVID-19 circumstances and in the interests of public health and safety of our Shareholders, the Company has elected not to allow Shareholders to physically attend the Meeting. Please refer to the information below on how Shareholders can participate in the Meeting.



Shareholders will be able attend the Meeting virtually via the live videoconference outlined below. Shareholder are encouraged to lodge their proxies prior to the Meeting.

As Shareholders will not be entitled to physically attend the Meeting, it will be deemed to be held at the registered office of the Company in accordance with section 253QA(3) of the Corporations Act.

## 2.2 Voting by proxy

All voting will be conducted by poll using proxy instructions received in advance of the Meeting and any live votes. The poll will be conducted based on votes submitted by proxy and at the Meeting by Shareholders who have indicated that they intend to vote at the Meeting in accordance with the instructions set out below.

The Directors instruct all Shareholders who would like to have their vote counted to either:

- vote by lodging a Proxy Form prior to 13 November 2021 at 10:00am (AWST) (**Proxy Cut-Off Time**) (recommended); or
- Shareholders who wish to participate and vote at the Meeting should contact the Company at [bdonovan@ventnorcapital.com](mailto:bdonovan@ventnorcapital.com) or by phone at +61 8 9321 2644 prior to 10:00am (AWST) on 13 November 2021, at which point the Company will email you a personalised poll form for the purpose of voting on a poll at the Meeting.

How Shareholders can participate:

- Shareholders are strongly urged to appoint the Chair as their proxy. Shareholders can complete the Proxy Form to provide specific instructions on how a Shareholder's vote is to be cast on each item of business, and the Chair must follow your instructions. Lodgment instructions (which include the ability to lodge proxies online) are set out in the Proxy Form attached to the Notice. If a person other than the Chair is appointed as proxy, the proxy will revert to the Chair in the absence of the appointed proxy holder's attendance at the Meeting.
- Shareholders who intend to participate and vote on a poll at the Meeting must contact the Company at [bdonovan@ventnocapital.com](mailto:bdonovan@ventnocapital.com) or by phone at +61 8 9321 2644 to notify the Company that you intend to participate and vote on a poll at the Meeting by emailing the Company a poll form. You will also need to register and access the Meeting by videoconference to follow the meeting and timing of the poll (see below). After giving notice and following the Proxy Cut-Off Time, the Company will send you a personalised poll form. The personalised poll form must be completed and returned to the Company after the poll has been called and prior to the close of polling. During the Meeting, the Chair will notify you when and how you are able to complete and return the personalised poll form. The results of the Meeting will then be announced on the ASX in accordance with the Listing Rules.
- Shareholders who have completed a Proxy Form but have not notified the Company that you intend to participate and vote on a poll at the Meeting will have an opportunity to participate in the meeting through the videoconference

facility described below. In this circumstance, the person you have appointed as proxy will cast your vote on your behalf.

A Proxy Form is enclosed with this Notice. The Directors strongly encourage all Shareholders to sign and return the Proxy Form to the Company or Share Registry in accordance with the instructions thereon.

### 2.3 Remote attendance via videoconference

The Meeting will be accessible to all Shareholders via videoconference, which will allow Shareholders a reasonable opportunity to view the Meeting live, exercise a right to speak (including a right to ask questions) orally at the Meeting and to cast votes in real time on a poll during the Meeting. If you wish to attend the virtual Meeting, please use the dial in details below to join the teleconference. The dialling number will be ready to receive calls 15 minutes before the Meeting.

<b>Weblink:</b>	<a href="https://us02web.zoom.us/j/86311870819">https://us02web.zoom.us/j/86311870819</a>
<b>Webinar ID:</b>	863 1187 0819

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+61 2 8015 6011 Australia

Meeting ID: 863 1187 0819

Find your local number: <https://us02web.zoom.us/u/kqVlFwSiU>

## 2.4 Chairman's voting intentions

The Chairman intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention in the Proxy Form. If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, 4, or 5 by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

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## 3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2021.

There is no requirement for Shareholders to approve the Annual Report. At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at [www.asx.com.au](http://www.asx.com.au);
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman 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 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 to the Company Secretary at the Company's registered office.

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## 4. Resolution 1 - Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Part 2G.2, Division 9 of the Corporations Act provides Shareholders with the opportunity to remove the whole Board except the managing director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2020 annual general meeting.

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

Resolution 1 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 1.

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## **5. Resolution 2 - Re-election of Director - Mr Alec Pismiris**

Clause 7.3(a) of the Constitution and Listing Rule 14.4 both provide that a Director (other than the Managing Director) must not hold office without re-election past the third annual general meeting following that Director's previous election three years, whichever is longer. A Director who retires in accordance with these requirements is eligible for re-election.

Mr Alec Pismiris is due to retire under this provision and, being eligible, seeks re-election as a Director. Mr Pismiris was appointed to the Board on 7 April 2016 as a Non-Executive Director and was last elected at the annual general meeting held on 30 November 2018.

Mr Pismiris has over 30 years of experience in the securities, finance and mining industries. Since 1990, Mr Pismiris has served as a director and company secretary for various ASX listed companies as well as a number of unlisted public and private companies. Mr Pismiris completed a Bachelor of Commerce degree at the University of Western Australia, is a member of the Australian Institute of Company Directors and a fellow of The Governance Institute of Australia.

Mr Pismiris has participated numerous times in the processes by which boards have assessed the acquisition and financing of a diverse range of assets and has participated in and become familiar with the range of evaluation criteria used and the due diligence processes commonly adopted in the commercial assessment of corporate opportunities.

Mr Pismiris' other current directorships include Agrimin Limited, Frontier Resources Limited, Pacton Gold Inc. (TSX-V) and Sunshine Gold Limited. Mr Pismiris was formerly a director of Aguia Resources Limited and Victory Mines Limited.

If re-elected, the Board considers Mr Pismiris will be an independent Director.

Mr Pismiris has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

The Board has reviewed Mr Pismiris's performance since his appointment to the Board and considers that Mr Pismiris's skills and experience will continue to enhance the Board's ability to perform its role.

The Board (excluding Mr Pismiris) recommends that Shareholders vote in favour of Resolution 2 for the reasons outlined above.

Resolution 2 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 2.

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## 6. Resolutions 3 - Approval of 10% Placement Facility

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed entity 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.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members by way of a special resolution passed at its annual general meeting, to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000, (**Eligible Entity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 3, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 6.1 below).

The effect of Resolution 3 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Facility during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1. This will result in a combined 25% placement capacity.

If the Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without shareholder approval,

and will be required to rely on the 15% placement capacity under Listing Rule 7.1.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

The Chair intends to exercise all available proxies in favour of Resolution 3.

## 6.1 Information on 10% Placement Facility

As at the date of this Notice, the Company currently has on issue 191,752,385 Shares and the last recorded closing price of the Shares on 8 October 2021 was \$0.78. The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$149 million.

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being Shares (ASX Code: TMH).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

where:

A = the number of Shares on issue 12 months before the date of issue or agreement:

- plus the number of fully paid Shares issued in the following 12 month period:
  - under an exception in rule 7.2 other than exception 9, 16 or 17,
  - on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
    - the convertible securities were issued or agreed to be issued before the commencement of the 12 month period; or
    - the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or 7.4,
  - under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
    - the agreement was entered into before the commencement of the 12 month period; or
    - the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or 7.4,

- with Shareholder approval under Listing Rule 7.1 or 7.4. This does not include any issue of Shares under the Company's 15% annual placement capacity without Shareholder approval;
- plus the number of partly paid Shares that became fully paid in the 12 months,
- less the number of fully paid Shares cancelled in the 12 months.

D = 10%

E = the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

### 6.3 Listing Rule requirements

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the proposed approval of the 10% Placement Facility:

(a) Minimum price at which Equity Securities may be issued

The issue price of any Equity Security under the 10% Placement Facility will not be less than 75% of the VWAP for securities in the same class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the securities are to be issued is agreed by the entity and the recipient of the securities; or
- (ii) if the securities are not issued within 10 trading days of the date in paragraph (i), the date on which the securities are issued.

(b) Risk of economic and voting dilution

If Resolution 3 is passed and the Company issues securities under the 10% Placement Facility, then there is a risk to existing Shareholders of economic and voting dilution, including the risk that:

- (i) the market price for Equity Securities in the same class may be significantly lower on the issue date of the new Equity Securities than on the date of this Meeting; and
- (ii) the new Equity Securities may be issued at a price that is at a discount to the market price for Equity Securities in the same class on the issue date for cash consideration.

The table below identifies the potential dilution to existing Shareholders following the issue of Equity Securities under the 10% Placement Facility (based on the formula set out above) using different variables for the number of issued Shares and the market price of Shares.

The numbers are calculated on the basis of the latest available market price of Shares before the date of this Notice and the current number of Shares on issue.

Variable A in Listing Rule 7.1A		Nominal issue price		
		\$0.39 (50% decrease in market price)	\$0.78 (market price)	\$1.17 (50% increase in market price)
Current issued capital A = 191,752,385 shares	Shares issued under LR 7.1A	19,175,238	19,175,238	19,175,238
	Voting dilution	10%	10%	10%
	Funds raised	\$7,478,342.82	\$14,956,685.64	\$22,435,028.46
50% increase in issued capital A = 287,628,577 shares	Shares issued under LR 7.1A	28,762,857	28,762,857	28,762,857
	Voting dilution	10%	10%	10%
	Funds raised	\$11,217,514.23	\$22,435,028.46	\$33,652,542.69
100% increase in issued capital A = 383,504,770 Shares	Shares issued under LR 7.1A	38,350,477	38,350,477	38,350,477
	Voting dilution	10%	10%	10%
	Funds raised	\$14,956,686.03	\$29,913,372.06	\$44,870,058.09

This table has been prepared on the following assumptions:

1. the latest available market price of Shares, being the price as at 8 October 2021, was \$0.78;
2. the Company issues the maximum number of equity securities available under the 10% Placement Facility;
3. existing Shareholders' holdings do not change from the date of this Meeting to the date of the issue under the 10% Placement Facility;
4. the Company issues Shares only and does not issue other types of equity securities (such as Options) under the 10% Placement Facility; and
5. the impact of placements under Listing Rule 7.1 or following the exercise of options is not included in the calculations.

(c) Date by which Equity Securities may be issued

The approval to the 10% Placement Facility under this Resolution will commence on the date of the Meeting and will expire on the first to occur of the following:



- (i) the date that is 12 months after the date of the 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 Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking),

**(10% Placement Period).**

Equity Securities may only be issued under the 10% Placement Facility during the 10% Placement Period.

(d) Purpose for which Equity Securities may be issued

The Company may seek to issue Equity Securities under the 10% Placement Facility for the following purposes:

- (i) cash consideration to fund business growth, to acquire new assets or make investments, to develop the Company's existing assets and operations and for general working capital.

(e) Allocation policy

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Facility will depend on the prevailing market conditions at the time of the proposed issue. The allottees will be determined on a case-by-case basis having regard to the factors such as:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the new securities on the control of the Company;
- (iii) the financial situation and solvency of the Company;
- (iv) prevailing market conditions; and
- (v) advice from corporate and other advisors.

As at the date of this Notice, the Company has not identified any proposed allottees of Equity Securities using the 10% Placement Facility. However, the eventual allottees may include existing substantial Shareholders, other Shareholders and/or new investors.

None of the allottees will be a related party or an associate of a related party of the Company. Existing Shareholders may or may not be entitled to subscribe for Equity Securities under the 10% Placement Facility and it is possible that their shareholding will be diluted.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 upon issue of any Equity Securities under the 10% Placement Facility.

(f) Equity securities issued under previous placement facility approval

The Company has not issued any securities in the past 12 months from any approval

obtained by Shareholders pursuant to ASX Listing Rule 7.1A.

#### **6.4 Directors' recommendation**

The Board recommends that Shareholders vote in favour of Resolution 3 as it will provide the Company with the flexibility to raise additional capital.

The Chairman intends to vote all available proxies in favour of Resolution 3.

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## **7. Resolution 4 - Approval for the adoption of an Employee Incentive Plan**

### **7.1 General**

The Company considers that it is desirable to adopt an employee incentive scheme pursuant to which the Company can issue Equity Securities to attract, motivate and retain key employees, Directors and consultants and provide them with the opportunity to participate in the future growth of the Company.

Resolution 4 seeks Shareholders' approval for the adoption of the employee incentive scheme titled 'The Market Herald Limited Employee Securities Incentive Plan' (**Plan**) in accordance with Listing Rule 7.2 exception 13(b).

Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Equity Securities in the Company as the Board may decide and on the terms set out in the rules of the Plan, a summary of the key terms and conditions of which is in Annexure A. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

### **7.2 Listing Rules 7.1 and 7.2, exception 13(b)**

A summary of Listing Rule 7.1 is contained in the Explanatory Memorandum in relation to Resolution 3 above.

Listing Rule 7.2, exception 13(b) provides an exception to Listing Rule 7.1 such that issues of equity securities under an employee incentive scheme are exempt for a period of three years from the date on which shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

If Resolution 4 is passed, the Company will be able to issue Equity Securities under the Plan to eligible participants over a period of three years up to a nominated maximum amount without using the Company's 15% annual placement capacity under Listing Rule 7.1.

If Resolution 4 is not passed, the Company will not be able to issue Equity Securities under the Plan to eligible participants without using the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining Shareholder approval over the 12 month period following any such issue.

Any future issues of Equity Securities under the Plan to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under Listing Rule 10.14 at the relevant time.

### **7.3 Specific information required by Listing Rule 7.2, exception 13(b)**

Pursuant to and in accordance with Listing Rule 7.2, exception 13(b), the following information is provided in relation to the Plan:

- a) the material terms of the Plan are summarised in Annexure A;
- b) the maximum number of Equity Securities proposed to be issued under the Plan in reliance on Listing Rule 7.2, exception 13(b) following approval of Resolution 4 shall not exceed: 5% of the Company's Equity Securities currently on issue. Based on the number of Equity Securities currently on issue (191,752,385 shares and 7,065,954 Options), 5% equates to a maximum of 9,940,916 Equity Securities; and
- c) a voting exclusion statement is included in the Notice.

### **7.4 Board recommendation**

Resolution 4 is an ordinary resolution.

The Directors decline to make a recommendation in relation to Resolution 4 due to their personal interest in the outcome of the Resolution.

**The Chairman intends to exercise all available proxies in favour of Resolution 4.**

## **8. Resolution 5 - Approval of potential termination benefits under the Plan**

### **8.1 General**

The Corporations Act contains certain limitations concerning the payment of 'termination benefits' to persons who hold a 'managerial or executive office'. The Listing Rules also provides certain limitations on the payment of "termination benefits" to officers of listed entities.

As is common with employee incentive schemes, the Plan provides the Board with the discretion to, amongst other things, determine that some or all of the Equity Securities granted to a participant under the Plan (**Plan Securities**) will not lapse in the event of that participant ceasing their engagement with the Company before such Plan Securities have vested. This 'accelerated vesting' of Plan Securities may constitute a 'termination benefit' prohibited under the Corporations Act, regardless of the value of such benefit, unless Shareholder approval is obtained. Accordingly, the Board has resolved to seek Shareholder approval for the granting of such termination benefits in accordance with Resolution 5.

### **8.2 Part 2D.2 of the Corporations Act**

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' (as defined in the Corporations Act) if an exemption applies or if the benefit is approved by shareholders in accordance with section 200E of the Corporations Act.

Subject to Shareholder approval of Resolution 4, Shareholder approval is sought for the purposes of Part 2D.2 of the Corporations Act to approve the giving of benefits under the Plan to a person by the Company in connection with that person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company (or subsidiary of the Company) on the terms and conditions in this Explanatory Statement.

As noted above, under the terms of the Plan and subject to the Listing Rules, the Board possesses the discretion to vary the terms or conditions of the Plan Securities. Notwithstanding the foregoing, without the consent of the participant in the Plan, no amendment may be made to the terms of any granted Plan Security which reduces the rights of the participant in respect of that Plan Security, other than an amendment introduced primarily to comply with legislation, to correct any manifest error or mistake or to take into consideration possible adverse tax implications.

As a result of the above discretion, the Board has the power to determine that some or all of a participant's Plan Securities will not lapse in the event of the participant ceasing employment or office before the vesting of their Plan Securities. The Board's current intention is to only exercise this discretion where the person leaves employment or office without fault on their part.

The exercise of this discretion by the Board 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 discretion in respect of any current or future participant in the Plan who holds:

- a) a managerial or executive office in, or is an officer of, the Company (or subsidiary of the Company) at the time of their leaving or at any time in the three years prior to their leaving; and
- b) Plan Securities at the time of their leaving.

### **8.3 Value of the termination benefits**

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

The value of the termination benefits that the Board may give under the Plan 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 Plan Securities that will vest or otherwise be affected. The following additional factors may also affect the benefit's value:

- (a) the participant's length of service and the status of the vesting conditions attaching to the relevant Plan Securities at the time the participant's employment or office ceases; and
- (a) the number of unvested Plan Securities that the participant holds at the time they cease employment or office.

In accordance with Listing Rule 10.19, no officer of the Company or any of its child entities will, or may be, entitled to termination benefits if the value of those benefits and the terminations benefits that are or may be payable to all officers together exceed 5% of the equity interests of the Company as set out in the latest accounts given to ASX under the Listing Rules.

## 8.4 Board Recommendation

Resolution 5 is subject to and conditional on the passing of Resolution 4. If Resolution 4 is not passed by the requisite majority of Shareholders, Resolution 5 will be withdrawn.

The Board decline to make a recommendation in relation to Resolution 5 due to their personal interest in the outcome of the Resolution.

**The Chair intends to exercise all available proxies in favour of Resolution 5.**

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## 9. Resolution 6 - Replacement of Constitution

### 9.1 General

Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 6 seeks the approval of Shareholders to repeal the Company's existing Constitution and adopt a new constitution (**Proposed Constitution**).

The Proposed Constitution incorporates amendments to the Corporations Act and the Listing Rules since the current Constitution was adopted in 2016. The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature.

It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Memorandum, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary.

Shareholders are invited to contact the Company if they have any queries or concerns.

Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 6.

### 9.2 Summary of material proposed changes

#### (b) Restricted Securities (article 2.7)

ASX introduced a number of changes to the escrow regime in the Listing Rules to make aspects of the listing process and ongoing compliance with the Listing Rules more efficient for issuers and for ASX.

Amongst these, ASX has introduced a two-tier escrow regime where ASX can and will require certain more significant holders of Restricted Securities (as defined by the Listing Rules) and their controllers to execute a formal escrow agreement in the

form of Appendix 9A, as is currently the case. However, for less significant holdings, ASX will instead permit entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holder of Restricted Securities and to simply give a notice to the holder of Restricted Securities in the form of a new Appendix 9C advising them of those restrictions.

Under article 2.7 of the Proposed Constitution, holders of Restricted Securities will be taken to have agreed in writing that those Securities are to be kept on the Company's issuer sponsored sub-register and are to have a holding lock applied for the duration of the applicable escrow period. Holders of Restricted Securities will also not be entitled to participate in any return of capital on those Securities during the applicable escrow period, except as permitted by the Listing Rules or ASX.

(c) **Minimum Shareholdings (article 2.6 and schedule 4)**

Articles 2.6 and schedule 4 of the Proposed Constitution outline how the Company can manage shareholdings which represent 'less than a marketable parcel' of Shares, being a shareholding that is less than \$500 based on the closing price of the Company's Shares on ASX as at the relevant time (**Minimum Shareholding**).

The Proposed Constitution is in line with the requirements for dealing with Minimum Shareholdings outlined in the Corporations Act and Listing Rules such that where the Company elects to undertake a sale of Minimum Shareholdings, the Company is only required to give one notice to holders of Minimum Shareholdings to elect to retain their shareholding before the Minimum Shareholdings can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Schedule 4 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with Minimum Shareholdings.

(d) **Fee for registration of off-market transfers (article 4.4)**

On 24 January 2011, ASX amended Listing Rule 8.14 with the effect that the Company may now charge a 'reasonable fee' for registering paper-based transfers, sometimes referred to 'off-market transfers'.

Article 4.4 of the Proposed Constitution enables the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

(e) **Deemed notice to uncontactable Shareholders (article 14.5)**

Article 14.5 provides that a document will be deemed to have been served to a Shareholder if the document is exhibited in the registered office of the Company for 48 hours in the event that:

- (i) a Shareholder does not have an address in the register of Shareholders, and has not nominated an alternative address; or

- (ii) the Company reasonable believes that a Shareholder is not known at the Shareholder's address in the register of Shareholders or any alternative address provided.

**(f) Partial (proportional) takeover provisions (article 4.9 and schedule 5)**

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

While the original Constitution included a provision regarding proportional takeover bids, this provision has since ceased to have effect.

**9.2 Information required by section 648G of the Corporations Act**

**(g) Effect of proposed proportional takeover provisions**

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

**(h) Reasons for proportional takeover provisions**

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

**(i) Knowledge of any acquisition proposals**

As at the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company, save for the Transaction as set out in this Notice. It is noted that the Proposed Constitution will not take effect until Completion, and the Directors are of the opinion that the adoption of the Proposed Constitution will not frustrate the Transaction as contemplated in this Notice.

**(j) Potential advantages and disadvantages of proportional takeover provisions**

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a

recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (i) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (ii) assisting in preventing Shareholders from being locked in as a minority;
- (iii) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (iv) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (v) proportional takeover bids may be discouraged;
- (vi) lost opportunity to sell a portion of their Shares at a premium; and
- (vii) the likelihood of a proportional takeover bid succeeding may be reduced.

**(k) Recommendation of the Board**

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 6.



## Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

**\$** means Australian Dollars.

**10% Placement Facility** has the meaning given in Section 6.

**10% Placement Period** has the meaning given in Section 6.

**Annual Report** means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2021.

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

**ASX** means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the board of Directors.

**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.

**Chairman** means the person appointed to chair the Meeting of the Company convened by the Notice.

**Closely Related Party** means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Company** means The Market Herald Limited (ACN 611 717 036).

**Constitution** means the constitution of the Company as at the date of the Meeting.

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

**Director** means a director of the Company.

**Directors' Report** means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Equity Security** has the same meaning as in the Listing Rules and **Equity Securities** has the corresponding meaning.

**Explanatory Memorandum** means the explanatory memorandum which forms part of the Notice.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**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.

**Meeting** has the meaning given in the introductory paragraph of the Notice.

**Notice** means this notice of annual general meeting.

**Option** means an option to acquire a Share.

**Proxy Cut-Off Time** has the meaning in Section 2.2.

**Proxy Form** means the proxy form attached to the Notice.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolution** means a resolution referred to in the Notice.

**Rule** means a rule of the Constitution.

**Schedule** means a schedule to the Notice.

**Section** means a section of the Explanatory Memorandum.

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

**Shareholder** means a shareholder of the Company.

**Strike** means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

**WST** means Western Standard Time being the time in Perth, Western Australia.

## Annexure A- Summary of Employee Securities Incentive Plan

A summary of the key terms of the Plan is set out below:

- (a) (Eligible Participant): Eligible Participant means a person that:
- (i) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
  - (ii) has been determined by the Board to be eligible to participate in the Plan from time to time.
- (b) (Purpose): The purpose of the Plan is to:
- (i) assist in the reward, retention and motivation of Eligible Participants;
  - (ii) link the reward of Eligible Participants to Shareholder value creation; and
  - (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
- (c) (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.
- (d) (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.
- (e) (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.
- (f) (Terms of Convertible Securities): Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.
- (g) (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.

(h) (Exercise of Convertible Securities and cashless exercise): To exercise an Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation. 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.

(i) (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.

(j) (Forfeiture of Convertible Securities): Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

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

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

(i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and

(ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

(k) (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.

(l) (Rights attaching to Plan Shares): All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Plan Shares**) will rank *pari passu* in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

(m) (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:

(i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or

(ii) 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.

(n) (Adjustment of Convertible Securities): If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

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

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

(o) (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.

(p) (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.

(q) (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.

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

Your proxy voting instruction must be received by **10.00am (WST) on Saturday, 13 November 2021**, 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>.

