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**VERATIN LIMITED**

**ACN 613 404 612**

**NOTICE OF GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 10:00 am WST

**DATE:** 5 September 2022

**PLACE:** Unit 1, 14A Hines Road, O'Connor WA 6163

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

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00 am WST on 3 September 2022.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. RESOLUTION 1 – ADOPTION OF EMPLOYEE SECURITIES INCENTIVE PLAN

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

*“That, for the purposes of Listing Rule 6.25(2)(iv) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Employee Securities Incentive Plan, on the terms and conditions set out in the Explanatory Statement.”*

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

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#### 2. RESOLUTION 2 – ISSUE OF INCENTIVE OPTIONS TO RAMIZ BOULOS

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, subject to the passing of Resolution 1, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 6.44 and for all other purposes, approval is given for the Company to issue 1,000,000 Options to Ramiz Boulos (or their nominee) under the Plan on the terms and conditions set out in the Explanatory Statement.”*

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

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#### 3. RESOLUTION 3 – ISSUE OF INCENTIVE OPTIONS TO DAVID VINCENT

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, subject to the passing of Resolution 1, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 6.44 and for all other purposes, approval is given for the Company to issue 1,000,000 Options to David Vincent (or their nominee) under the Plan on the terms and conditions set out in the Explanatory Statement.”*

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

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#### 4. RESOLUTION 4 – ISSUE OF INCENTIVE OPTIONS TO GIUSEPPE LENZO

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, subject to the passing of Resolution 1, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 6.44 and for all other purposes, approval is given for the Company to issue 1,000,000 Options to Giuseppe Lenzo (or their nominee) under the Plan on the terms and conditions set out in the Explanatory Statement.”*

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

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**5. RESOLUTION 5 – ISSUE OF SHARES TO DAVID VINCENT**

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

*“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 6.44 and for all other purposes, approval is given for the Company to issue 300,000 Shares to David Vincent (or their nominee) on the terms and conditions set out in the Explanatory Statement.”*

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

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**6. RESOLUTION 6 – ISSUE OF SHARES TO GIUSEPPE LENZO**

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

*“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 6.44 and for all other purposes, approval is given for the Company to issue 300,000 Shares to Giuseppe Lenzo (or their nominee) on the terms and conditions set out in the Explanatory Statement.”*

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

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**7. RESOLUTION 7 – ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO RAMIZ BOULOS**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, subject to the passing of Resolution 1, for the purposes of Listing Rule 6.44 and for all other purposes, approval is given for the Company to issue 6,000,000 Performance Rights to Ramiz Boulos (or their nominee) under the Plan on the terms and conditions set out in the Explanatory Statement.”*

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

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**8. RESOLUTION 8 – AMENDMENT TO CONSTITUTION**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to amend its Constitution in the manner described in the Explanatory Statement.”*

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Dated: 21/07/2022

By order of the Board



Ramiz Boulos  
Director

**Voting Prohibition Statements**

<p><b>Resolution 1 – Adoption of Incentive Securities Plan</b></p>	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is either: <ul style="list-style-type: none"> <li>(i) a member of the Key Management Personnel; or</li> <li>(ii) a Closely Related Party of such a member; and</li> </ul> </li> <li>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</li> </ul> <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is the Chair; and</li> <li>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</li> </ul>
<p><b>Resolution 2 – Issue of Incentive Options to Ramiz Boulos</b></p>	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (<b>Resolution 2 Excluded Party</b>). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 2 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is either: <ul style="list-style-type: none"> <li>(i) a member of the Key Management Personnel; or</li> <li>(ii) a Closely Related Party of such a member; and</li> </ul> </li> <li>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</li> </ul> <p>Provided the Chair is not a Resolution 2 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is the Chair; and</li> <li>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</li> </ul>
<p><b>Resolution 3 – Issue of Incentive Options to David Vincent</b></p>	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (<b>Resolution 3 Excluded Party</b>). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 3 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is either:</li> </ul>

	<ul style="list-style-type: none"> <li>(i) a member of the Key Management Personnel; or</li> <li>(ii) a Closely Related Party of such a member; and</li> </ul> <p>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</p> <p>Provided the Chair is not a Resolution 3 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is the Chair; and</li> <li>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</li> </ul>
<p><b>Resolution 4 – Issue of Incentive Options to Giuseppe Lenzo</b></p>	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (<b>Resolution 4 Excluded Party</b>). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 4 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is either: <ul style="list-style-type: none"> <li>(i) a member of the Key Management Personnel; or</li> <li>(ii) a Closely Related Party of such a member; and</li> </ul> </li> <li>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</li> </ul> <p>Provided the Chair is not a Resolution 4 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is the Chair; and</li> <li>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</li> </ul>
<p><b>Resolution 5 – Issue of Shares to David Vincent</b></p>	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (<b>Resolution 5 Excluded Party</b>). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 5 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is either: <ul style="list-style-type: none"> <li>(i) a member of the Key Management Personnel; or</li> <li>(ii) a Closely Related Party of such a member; and</li> </ul> </li> <li>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</li> </ul>

	<p>Provided the Chair is not a Resolution 5 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is the Chair; and</li> <li>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</li> </ul>
<p><b>Resolution 6 – Issue of Shares to Giuseppe Lenzo</b></p>	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (<b>Resolution 6 Excluded Party</b>). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 6 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is either: <ul style="list-style-type: none"> <li>(i) a member of the Key Management Personnel; or</li> <li>(ii) a Closely Related Party of such a member; and</li> </ul> </li> <li>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</li> </ul> <p>Provided the Chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is the Chair; and</li> <li>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</li> </ul>
<p><b>Resolution 7 – Issue of Incentive Performance Rights to Ramiz Boulos</b></p>	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is either: <ul style="list-style-type: none"> <li>(i) a member of the Key Management Personnel; or</li> <li>(ii) a Closely Related Party of such a member; and</li> </ul> </li> <li>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</li> </ul> <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is the Chair; and</li> <li>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</li> </ul>

## Voting Exclusion Statements

The Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

<b>Resolution 1 – Adoption of Securities Incentive Plan</b>	A person who is eligible to participate in the employee incentive scheme or an associate of that person or those persons.
<b>Resolution 2 – Issue of Incentive Options to Ramiz Boulos</b>	Any person who is eligible to participate in the employee incentive scheme in question (including Ramiz Boulos) or an associate of that person or those persons.
<b>Resolution 3 – Issue of Incentive Options to David Vincent</b>	Any person who is eligible to participate in the employee incentive scheme in question (including David Vincent) or an associate of that person or those persons.
<b>Resolution 4 – Issue of Incentive Options to Giuseppe Lenzo</b>	Any person who is eligible to participate in the employee incentive scheme in question (including Giuseppe Lenzo) or an associate of that person or those persons.
<b>Resolution 5 – Issue of Shares to David Vincent</b>	David Vincent (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
<b>Resolution 6 – Issue of Shares to Giuseppe Lenzo</b>	Giuseppe Lenzo (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
<b>Resolution 7 – Issue of Incentive Performance Rights to Ramiz Boulos</b>	Any person who is eligible to participate in the employee incentive scheme in question (including Ramiz Boulos) or an associate of that person or those persons.

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

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.



## **Voting by proxy**

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

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

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

If you sign the enclosed Voting Form and no direction is given or you do not mark Box [A] or Box [B], the Chair will be appointed as your proxy. The Chair intends to vote undirected proxies on, and in favour of, all resolutions. If you mark both Box [A] and Box [B], you will be taken not to have appointed a proxy and your direct votes will be counted.

## **Voting in person**

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

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

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the meeting. If you do not bring your Proxy Form with you, you can still attend the meeting but representatives from Automic Pty Ltd will need to verify your identity. You can register from 10:00 am WST on the day of the meeting.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 +61 2 8072 1400.***

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## **EXPLANATORY STATEMENT**

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

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### **1. RESOLUTION 1 – ADOPTION OF EMPLOYEE SECURITIES INCENTIVE PLAN**

#### **1.1 General**

Resolution 1 seeks Shareholder approval for the adoption of the employee incentive scheme titled “Employee Securities Incentive Plan” (**Plan**) in accordance with Listing Rule 6.25(2)(iv).

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

#### **1.2 Listing Rule 6.25(1) and Listing Rule 6.25(2)(iv)**

Broadly speaking, and subject to a number of exceptions set out in Listing Rule 6.25(2), Listing Rule 6.25(1) limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Listing Rule 6.25(2)(iv) provides that Listing Rule 6.25(1) does not apply to an issue of securities under an employee incentive scheme if, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 6.25(1).

The exception in Listing Rule 6.25(2)(iv) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 1 is passed, the Company will be able to issue securities under the Plan to eligible participants from the date of the Meeting. The issue of any securities to eligible participants under the Plan will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 6.25(1).

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 6.44 in respect of any future issues of securities under the Plan to a related party or a person whose relationship with the Company or the related party is, in NSX's opinion, such that approval should be obtained.

If Resolution 1 is not passed, the Company will be able to proceed with the issue of securities under the Plan to eligible participants, but any issues of securities will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 6.25(1) for the 12 month period following the issue of those securities.

#### **1.3 Technical information required by Listing 6.25(2)(iv)**

Pursuant to and in accordance with Listing Rule 6.25(2)(iv), the following information is provided in relation to Resolution 1:

- (a) a summary of the key terms and conditions of the Plan is set out in Schedule 1; and
- (b) the Company has not issued any securities under the Plan as this is the first time that Shareholder approval is being sought for the adoption of the Plan.

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## **2. RESOLUTIONS 2 TO 4 – ISSUE OF INCENTIVE OPTIONS TO DIRECTORS**

### **2.1 General**

The Company has agreed, subject to obtaining Shareholder approval and to the adoption of the Plan (refer to Resolution 1), to issue 1,000,000 Options to each of Ramiz Boulos, David Vincent and Giuseppe Lenzo (or their nominees) (**Related Parties**) pursuant to the Plan and on the terms and conditions set out below (**Incentive Options**).

### **2.2 Chapter 2E of the Corporations Act**

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

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

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

The issue of the Incentive Options to the Related Parties constitutes giving a financial benefit and each of the Related Parties is a related party of the Company by virtue of being a Director.

As the Incentive Options are proposed to be issued to all of the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Incentive Options. Accordingly, Shareholder approval for the issue of Incentive Options to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

Resolutions 2 to 4 seek the required Shareholder approval for the issue of the Incentive Options under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 6.44.

### **2.3 Technical information**

If Resolutions 2 to 4 are passed, the Company will be able to proceed with the issue of the Incentive Options to the Related Parties under the Plan within one year after the date of the Meeting. As approval is being obtained under Listing Rule 6.44, the issue of the Incentive Options will not use up any of the Company's 15% annual placement capacity.

If Resolution 2 to 4 are not passed, the Company will not be able to proceed with the issue of the Incentive Options to the Related Parties under the Plan.

## 2.4 Technical information required by Listing Rule 6.44 and section 219 of the Corporations Act

Pursuant to and in accordance with the requirements of Listing Rule 6.44 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 2 to 4:

- (a) the Incentive Options will be issued to the following persons:
  - (i) Ramiz Boulos (or their nominee) pursuant to Resolution 2;
  - (ii) David Vincent (or their nominee) pursuant to Resolution 3; and
  - (iii) Giuseppe Lenzo (or their nominee) pursuant to Resolution 4,each of whom falls within the category set out in Listing Rule 6.44 by virtue of being a Director;
- (b) the maximum number of Incentive Options to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is 3,000,000 comprising:
  - (i) 1,000,000 Incentive Options to Ramiz Boulos (or their nominee) pursuant to Resolution 2;
  - (ii) 1,000,000 Incentive Options to David Vincent (or their nominee) pursuant to Resolution 3; and
  - (iii) 1,000,000 Incentive Options to Giuseppe Lenzo (or their nominee) pursuant to Resolution 4;
- (c) as this is the first time that the Shareholder approval is being sought for the adoption of the Plan, no Options have been previously issued under the Plan;
- (d) a summary of the material terms and conditions of the Incentive Options is set out in Schedule 2;
- (e) the Incentive Options are unquoted Options. The Company has chosen to issue Incentive Options to the Related Parties for the following reasons:
  - (i) the Incentive Options are unquoted; therefore, the issue of the Incentive Options has no immediate dilutionary impact on Shareholders;
  - (ii) the deferred taxation benefit which is available to the Related Parties in respect of an issue of Options is also beneficial to the Company as it means the Related Parties are not required to immediately sell the Incentive Options to fund a tax liability (as would be the case in an issue of Shares where the tax liability arises upon issue of the Shares) and will instead, continue to hold an interest in the Company; and
  - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Options on the terms proposed;

- (f) the number of Incentive Options to be issued to each of the Related Parties has been determined based upon a consideration of:
- (i) current market standards;
  - (ii) the remuneration of the Related Parties; and
  - (iii) incentives to attract and retain the service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Options upon the terms proposed;

- (g) the total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Ramiz Boulos	\$680,000 <sup>1</sup>	\$25,567
David Vincent	\$30,000 <sup>2</sup>	Nil
Giuseppe Lenzo	\$30,000 <sup>3</sup>	Nil

**Notes:**

1. Comprising a salary of \$72,727, a superannuation payment of \$7,272 and share-based payments of \$600,000 including the value of the Incentive Performance Rights the subject of Resolution 7 and including the value of the Incentive Options.
  2. Comprising Directors' fees of \$27,272, a superannuation payment of \$2,727 to be paid via the issue of Shares the subject of Resolution 5 and share-based payments of \$30,000 (including the value of the Incentive Options).
  3. Comprising Directors' fees of \$27,272, a superannuation payment of \$2,727 to be paid via the issue of Shares the subject of Resolution 6 and share-based payments of \$30,000 (including the value of the Incentive Options).
- (h) the value of the Incentive Options and the pricing methodology is set out in Schedule 3;
- (i) the Incentive Options will be issued to the Related Parties no later than 1 year after the date of the Meeting and it is anticipated the Incentive Options will be issued on one date;
- (j) the issue price of the Incentive Options will be nil, as such no funds will be raised from the issue of the Incentive Options (other than in respect of funds received on exercise of the Incentive Options);
- (k) the purpose of the issue of the Incentive Options is to provide a performance linked incentive component in the remuneration package for the Related Parties to align the interests of the Related Parties with those of Shareholders, to motivate and reward the performance of the Related Parties in their roles as Directors and to provide a cost effective way from the Company to remunerate the Related Parties, which will allow the Company to spend a greater proportion of its cash reserves

on its operations than it would if alternative cash forms of remuneration were given to the Related Parties;

- (l) a summary of the material terms and conditions of the Plan is set out in Schedule 1;
- (m) no loans are being made to the Related Parties in connection with the acquisition of the Incentive Options;
- (n) details of any Options issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued;
- (o) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares <sup>1</sup>	Options	Performance Rights
Ramiz Boulos	29,351,250	Nil	Nil
David Vincent	1,252,500	Nil	Nil
Giuseppe Lenzo	31,250	Nil	Nil

**Notes:**

1. Fully paid ordinary shares in the capital of the Company (NSX: VTN).

- (p) if the Incentive Options issued to the Related Parties are exercised, a total of 3,000,000 Shares would be issued. This will increase the number of Shares on issue from 95,066,734 (being the total number of Shares on issue as at the date of this Notice) to 98,066,734 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 3.06%, comprising 1.02% by Ramiz Boulos, 1.02% by David Vincent and 1.02% by Giuseppe Lenzo;

The market price for Shares during the term of the Incentive Options would normally determine whether the Incentive Options are exercised. If, at any time any of the Incentive Options are exercised and the Shares are trading on NSX at a price that is higher than the exercise price of the Incentive Options, there may be a perceived cost to the Company.

- (q) the trading history of the Shares on NSX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	Nil	N/A
Lowest	Nil	N/A
Last	Nil	N/A

- (r) each Director has a material personal interest in the outcome of Resolutions 2 to 4 on the basis that all of the Directors (or their nominees) are to be issued Incentive Options should Resolutions 2 to 4 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 2 to 4 of this Notice; and

- (s) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 2 to 4.

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### **3. RESOLUTIONS 5 AND 6 – ISSUE OF SHARES TO DAVID VINCENT AND GIUSEPPE LENZO**

#### **3.1 General**

The Company has agreed, subject to obtaining Shareholder approval, to issue an aggregate of 600,000 Shares to David Vincent and Giuseppe Lenzo (or their nominee) (**Related Parties**) in lieu of directors fees for the period 18 August 2021 to 18 August 2022 on the terms and conditions set out below.

Resolutions 5 and 6 seek Shareholder approval for the issue of the Shares to the Related Parties.

#### **3.2 Chapter 2E of the Corporations Act**

A summary of Chapter 2E of the Corporations Act is set out in Section 2.2 above.

The issue of the Shares to the Related Parties constitutes giving a financial benefit and each of the Related Parties is a related party of the Company by virtue of being a Director.

As the Shares are proposed to be issued to all of the Directors except Ramiz Boulos, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Shares. Accordingly, Shareholder approval for the issue of Shares to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

#### **3.3 Listing Rule 6.44**

Resolutions 5 and 6 seek the required Shareholder approval for the issue of the Shares under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 6.44.

#### **3.4 Technical information**

If Resolutions 5 and 6 are passed, the Company will be able to proceed with the issue of the Shares within 1 year after the date of the Meeting. As approval is being obtained under Listing Rule 6.44 the issue of the Shares will not use up any of the Company's 15% annual placement capacity.

If Resolutions 5 and 6 are not passed, the Company will not be able to proceed with the issue of the Shares and the Company would be required to provide cash remuneration to the Related Parties.

#### **3.5 Technical Information required by Listing Rule 6.44**

Pursuant to and in accordance with Listing Rule 6.44, the following information is provided in relation to Resolutions 5 and 6:

- (a) the Shares will be issued to the following persons:
- (i) David Vincent (or their nominee) pursuant to Resolution 5; and

- (ii) Giuseppe Lenzo (or their nominee) pursuant to Resolution 6,  
each of whom falls within the category set out in Listing Rule 6.44 by virtue of being a Director;
- (b) the maximum number of Shares to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is 600,000 comprising:
  - (i) 300,000 Shares to David Vincent (or their nominee) pursuant to Resolution 5; and
  - (ii) 300,000 Shares to Giuseppe Lenzo (or their nominee) pursuant to Resolution 6,
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares will be issued no later than 1 year after the date of the Meeting and it is anticipated the Shares will be issued on the same date;
- (e) the deemed issue price of the Shares will be \$0.10 per Share, being the same issue price as Shares issued under the Company's recent initial public offer. The Company will not receive any consideration for the issue of the Shares;
- (f) the purpose of the issue of the Shares is to provide a cost effective way from the Company to remunerate the Related Parties, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties;
- (g) the number of Shares to be issued to each of the Related Parties has been determined based upon a consideration of the remuneration of the Related Parties;
- (h) the Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options upon the terms proposed;
- (i) the total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year is set out in Section 2.4(g);
- (j) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out in Section 2.4(o);
- (k) the trading history of the Shares on NSX in the 12 months before the date of this Notice is set out in Section 2.4(q) above;
- (l) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 5 and 6;
- (m) the Shares are being issued under David Vincent's and Giuseppe Lenzo's letters of appointment. A summary of the material terms of the respective letters of appointment are set out in Schedule 6; and



- (n) voting exclusion statements are included in Resolutions 5 and 6 of the Notice.

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## **4. RESOLUTION 7 – ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO RAMIZ BOULOS**

### **4.1 General**

The Company has agreed, subject to obtaining Shareholder approval and to the adoption of the Plan (refer to Resolution 1), to issue 6,000,000 Performance Rights to Ramiz Boulos (or their nominee) pursuant to the Plan and on the terms and conditions set out below (**Incentive Performance Rights**).

### **4.2 Chapter 2E of the Corporations Act**

A summary of Chapter 2E of the Corporations Act is set out in Section 2.2 above.

The issue of the Incentive Performance Rights to Ramiz Boulos (or their nominee) constitutes giving a financial benefit and Ramiz Boulos is a related party of the Company by virtue of being a Director.

The Directors (other than Ramiz Boulos) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Performance Rights, because the issue of Performance Rights constitutes reasonable remuneration payable to Ramiz Boulos.

### **4.3 Listing Rule 6.44**

Resolution 7 seeks the required Shareholder approval for the issue of the Incentive Performance Rights under and for the purposes of Listing Rule 6.44.

### **4.4 Technical information**

If Resolution 7 is passed, the Company will be able to proceed with the issue of the Incentive Performance Rights to Ramiz Boulos under the Plan within 1 year after the date of the Meeting. As approval pursuant to Listing Rule 6.25(1) is not required for the issue of the Incentive Performance Rights (because approval is being obtained under Listing Rule 6.44), the issue of the Incentive Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of the Incentive Performance Rights to Ramiz Boulos under the Plan.

### **4.5 Technical information required by Listing Rule 6.44**

Pursuant to and in accordance with the requirements of Listing Rule 6.44, the following information is provided in relation to Resolution 7:

- (a) the Incentive Performance Rights will be issued to Ramiz Boulos (or their nominee), who falls within the category set out in Listing Rule 6.44, by virtue of Ramiz Boulos being a Director;
- (b) the maximum number of Incentive Performance Rights to be issued to Ramiz Boulos (or their nominee) is 6,000,000;
- (c) the current total remuneration package for Ramiz Boulos is \$80,000, comprising a salary of \$72,727, a superannuation payment of \$7,272 and option-based payments of \$0, the subject of Resolution 2. If the

Incentive Performance Rights are issued, the total remuneration package of Ramiz Boulos will increase by \$600,000 to \$680,000, being the value of the Incentive Performance Rights (based on the Black Scholes methodology);

- (d) as this is the first time that the Shareholder approval is being sought for the adoption of the Plan, no Performance Rights have been previously issued under the Plan;
- (e) a summary of the material terms and conditions of the Incentive Performance Rights is set out in Schedule 4;
- (f) the Incentive Performance Rights are unquoted performance rights. The Company has chosen to grant the Incentive Performance Rights to Ramiz Boulos for the following reasons:
  - (i) the Incentive Performance Rights are unlisted, therefore the grant of the Incentive Performance Rights has no immediate dilutionary impact on Shareholders;
  - (ii) the issue of Incentive Performance Rights to Ramiz Boulos will align the interests of Ramiz Boulos with those of Shareholders;
  - (iii) the issue of the Incentive Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Ramiz Boulos;
  - (iv) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Incentive Performance Rights on the terms proposed;
- (g) the Company values the Incentive Performance Rights at \$600,000 (being \$0.10 per Incentive Performance Rights) based on the Black-Scholes methodology;
- (h) the Incentive Performance Rights will be issued to Ramiz Boulos (or their nominee) no later than 1 year after the date of the Meeting and it is anticipated the Incentive Performance Rights will be issued on one date;
- (i) the issue price of the Incentive Performance Rights will be nil, as such no funds will be raised from the issue of the Incentive Performance Rights;
- (j) a summary of the material terms and conditions of the Plan is set out in Schedule 1;
- (k) no loan is being made to Ramiz Boulos in connection with the acquisition of the Incentive Performance Rights; and
- (l) details of any Performance Rights issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued.

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## 5. RESOLUTION 8 – AMENDMENT TO CONSTITUTION

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 8 is a special resolution which will enable the Company to amend its existing Constitution (**Amended Constitution**) to include a new clause 13A to permit the use of technology at general meetings (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.

A copy of the Amended Constitution is available for review by Shareholders at the office of the Company. A copy of the Amended 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.

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## GLOSSARY

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**\$** means Australian dollars.

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

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

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

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

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means Veratin Limited (ACN 613 404 612).

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

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

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

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

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Listing Rules** means the Listing Rules of NSX.

**Market Value** means the volume weighted average market price (as that term is defined in the Listing Rules) per Share during the previous five trading days.

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

**NSX** means NSX Limited (ACN 089 447 058) or the financial market operated by NSX Limited, as the context requires.

**Option** means an option to acquire a Share with the terms and conditions set out in Schedule 2.

**Optionholder** means a holder of an Option.

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

**Plan** means the employee securities incentive plan adopted by the Company to be adopted by the Company, being the subject of Resolution 1 as summarised in Schedule 1.

**Proxy Form** means the proxy form accompanying the Notice.

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

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

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

**Shareholder** means a registered holder of a Share.

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

## SCHEDULE 1 – TERMS AND CONDITIONS OF EMPLOYEE SECURITIES INCENTIVE PLAN

The material terms and conditions of the Employee Securities Incentive Plan (**Plan**) are as follows:

<b>Eligibility</b>	<p>Participants in the Plan may be:</p> <p>(a) any non-employee director or any full or part-time employee of the Company and its related bodies corporate (the <b>Group</b>); or</p> <p>(b) any other person providing services to the Group,</p> <p>who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Options, Performance Rights and Shares (<b>Awards</b>) under the Plan (<b>Eligible Participant</b>).</p>
<b>Offer</b>	<p>The Company may, at the sole and absolute discretion of the Board, offer and issue to an Eligible Participant any (or any combination) of the different types of Awards provided under the Plan.</p> <p>The terms and conditions of Awards offered or granted under the Plan to each Eligible Participant will be determined by the Board in its sole and absolute discretion.</p>
<b>Convertible Security</b>	<p>Each Option and/or Performance Right (<b>Convertible Security</b>) represents a right to acquire one or more Shares, subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.</p>
<b>Vesting of a Convertible Security</b>	<p>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 by the due date and/or otherwise waived by the Board, that Convertible Security will lapse.</p>
<b>Exercise of Convertible Securities and cashless exercise</b>	<p>To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Options (see below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.</p> <p>The Board may determine in its sole and absolute discretion that a</p>

	<p>Participant will not be required to provide payment of the exercise price of Options, but that on exercise of the Options, the Company will only allot and issue or transfer that number of Plan Shares to the Participant that are equal in value to the difference between the exercise price otherwise payable in relation to the Options and the then Market Value of the Plan Shares as at the time of the exercise (with the number of Plan Shares rounded down).</p> <p>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.</p>
<b>Shares</b>	<p>The Board may from time to time make an invitation to an Eligible Participant to acquire Shares under the Plan. The Board will determine in its sole and absolute discretion the acquisition price (if any) for each Share which may be nil. The Shares may be subject to performance hurdles and/or vesting conditions as determined by the Board.</p> <p>Where Shares granted to a Participant are subject to performance hurdles and/or vesting conditions, the Participant's Shares will be subject to certain restrictions until the applicable performance hurdles and/or vesting conditions (if any) have been satisfied, waived by the Board or are deemed to have been satisfied under these Rules.</p>
<b>Forfeiture</b>	<p>In respect of each offer of Awards, the Board may determine, criteria, requirements or conditions which if met (notwithstanding the satisfaction or waiver of any performance hurdles and vesting conditions) will result in the lapsing of Convertible Securities or a Participant surrendering Shares (<b>Forfeiture Conditions</b>).</p> <p>Where such Forfeiture Conditions are met, unless the Board in its sole discretion determines otherwise, all unvested and vested Convertible Securities will automatically lapse and all unvested and vested Shares will automatically be surrendered.</p> <p>In addition, where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breaches his or her duties to the Group, the Board may in its discretion deem all Awards to be forfeited.</p>
<b>Rights attaching to Shares</b>	<p>Any Shares allotted, issued or transferred by the Company to a Participant under the Plan (including on exercise or conversion of Convertible Securities) will rank equally with all existing Shares on and from the date of allotment, issue or transfer, including in respect of all rights and bonus issues.</p>
<b>Disposal Restrictions</b>	<p>If the invitation provides that any Shares held by any Participants 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.</p> <p>For so long as Shares held by any Participants are subject to any disposal restrictions under the Plan, the Participant must not transfer, encumber or otherwise dispose of, or have a security interest granted over that Share or take any action if to do so would contravene applicable laws.</p>
<b>Buy-Back</b>	<p>Subject to applicable law, the Company may at any time buy-</p>

	back Awards in accordance with the terms of the Plan.
<b>Change of Control</b>	If a change of control event occurs in relation to the Company, and unless the Board determines otherwise in its sole and absolute discretion, Awards granted will vest where vesting conditions and performance hurdles have been satisfied on a pro rata basis based on the period which has elapsed from the grant date to the date of the change of control event.
<b>Employee Share Trust</b>	The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Awards for Participants under the Plan and delivering Shares on behalf of Participants upon exercise of Options and/or Performance Rights (as the case may be).
<b>Participation Rights</b>	During the currency of any Convertible Securities and prior to their vesting, Participants are not entitled to participate in any new issue of Securities of the Company as a result of their holding Convertible Securities.
<b>Reorganisation</b>	<p>Subject to all applicable laws, following any variation to the issued capital of the Company arising from:</p> <ul style="list-style-type: none"> <li>(a) a reduction, subdivision or consolidation of the issued capital of the Company;</li> <li>(b) a reorganisation of the issued capital of the Company;</li> <li>(c) a distribution of assets in specie;</li> <li>(d) the payment of a dividend, otherwise than in the ordinary course, of an amount substantially in excess of the Company's normal distribution policy; or</li> <li>(e) any issue of Shares or other equity securities or instruments which convert into Shares by way of capitalisation of profits or reserves,</li> </ul> <p>the number of Awards to which each Participant holds under the Plan, and the exercise price of Options (if any) held by each Participant, will be adjusted in accordance with the Listing Rules.</p>
<b>Amendment of Plan</b>	<p>Subject to the following paragraph, the Listing Rules and the Company's constitution, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Awards that have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.</p> <p>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 the relevant Participant.</p>



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## SCHEDULE 2 – TERMS AND CONDITIONS OF INCENTIVE OPTIONS

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The terms and conditions of the Incentive Options are as follows:

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.25 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 30 June 2027 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Vesting conditions**

The Options are subject to the holder remaining as a Director of the Company for a minimum of twelve months from his date of appointment as a Director of the Company.

(e) **Exercise Period**

Once the Options have vested, they are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(f) **Notice of Exercise**

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

(g) **Exercise Date**

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

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

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give NSX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section

708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) if admitted to the official list of NSX at the time, apply for official quotation on NSX of Shares issued pursuant to the exercise of the Options.
- (iv) If a notice delivered under (h)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) **Shares issued on exercise**

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

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the NSX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

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

(l) **Change in exercise price**

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

(m) **Transferability**

The Options are not transferable.

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## SCHEDULE 3 – VALUATION OF INCENTIVE OPTIONS

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The Incentive Options to be issued to the Related Parties pursuant to Resolutions 2 to 4 have been independently valued.

Using the Black & Scholes option model and based on the assumptions set out below, the Incentive Options were ascribed the following value:

<b>Assumptions:</b>	
Valuation date	14 July 2022
Market price of Shares	\$0.10
Exercise price	\$0.25
Expiry date (length of time from issue)	3 years
Risk free interest rate	3.123%
Volatility (discount)	0%
<b>Indicative value per Incentive Option</b>	<b>\$0.00</b>
<b>Total Value of Incentive Options</b>	<b>\$0</b>
- Ramiz Boulos (Resolution 2)	\$0
- David Vincent (Resolution 3)	\$0
- Giuseppe Lenzo (Resolution 4)	\$0

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

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## SCHEDULE 4 – TERMS AND CONDITIONS OF INCENTIVE PERFORMANCE RIGHTS

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- (a) **(Milestones):** The Performance Rights will vest upon achievement of the following milestones:

Tranche	Number of Performance Rights	Milestone
1	150,000	The Company developing, manufacturing and launching for public sale Verigrow foliar spray.
2	500,000	The Company developing, manufacturing and launching for public sale biodegradable plant pots.
3	200,000	The Company developing and launching for public sale shampoo and conditioner.
4	150,000	The Company developing, manufacturing and launching for public sale Verigrow potting mix.
5	1,500,000	The Company achieving a \$0.50 20-day volume weighted average price.
6	1,500,000	The Company entering into an agreement with an international distributor to distribute a minimum of \$200,000 of the Company's products internationally.
7	1,500,000	The Company reaching total annual sales of \$500,000.
8	500,000	The Company developing a new product not outlined in an earlier tranche and releasing that product for sale.

- (b) **(Notification to holder):** The Company shall notify the holder in writing when the Milestone has been satisfied.
- (c) **(Conversion):** Upon satisfaction of the Milestone, each Performance Right will, at the election of the holder, convert into one fully paid ordinary share in the capital of the Company within three (3) months from satisfaction of the Milestone (**Share**).
- (d) **(Lapse of a Performance Right):** Any Performance Right not converted before 30 June 2027 (**Expiry Date**) shall automatically lapse on the Expiry Date and the holder shall have no entitlement to Shares pursuant to those Performance Rights.
- (e) **(Share ranking):** All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.
- (f) **(Quotation):** The Company will not apply for quotation of the Performance Rights on NSX. However, the Company will apply for quotation of all Shares issued pursuant to the conversion of vested Performance Rights on NSX within the period required by the NSX Listing Rules.

- (g) **(Issue of Shares):** Within 5 business days of the Company receiving a notice of conversion from the holder to convert Performance Rights into Shares, the Company will:
- (i) issue the Shares pursuant to the conversion of the Performance Rights;
  - (ii) give NSX a notice that complies with section 708A(5)(e) of the Corporations Act; and
  - (iii) apply for official quotation on NSX of Shares issued pursuant to the conversion of the Performance Rights within the period required by the Listing Rules.

If the Company is unable to give NSX a notice in accordance with sub-clause (ii) and unless otherwise agreed with the holder of the Performance Rights, the Company must, within 20 business days of receipt of a notice of conversion, issue a prospectus pursuant to section 708A(11) of the Corporations Act to ensure that Shares issued on conversion of the Performance Rights may be traded within 12 months of their issue.

- (h) **(Transfer of Performance Rights):** A Performance Right is not transferable.
- (i) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.
- (j) **(Adjustment for bonus issue):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares or other securities which must be issued on the conversion of a Performance Right will be increased by the number of Shares or other securities which the holder would have received if the holder had converted the Performance Right before the record date for the bonus issue.
- (k) **(Adjustment for reconstruction):** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right (including the vesting conditions) are to be changed in a manner consistent with the Corporations Act and the NSX Listing Rules at the time of the reorganisation.
- (l) **(Dividend and Voting Rights):** A Performance Right does not confer upon the holder an entitlement to vote or receive dividends.
- (m) **(No rights to return of capital)** A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (n) **(Rights on winding up)** A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.
- (o) **(No other rights)** A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

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## SCHEDULE 5 – VALUATION OF INCENTIVE PERFORMANCE RIGHTS

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The Incentive Performance Rights to be issued to Ramiz Boulos pursuant to Resolution 7 have been independently valued.

Using the Black & Scholes model and based on the assumptions set out below, the Incentive Performance Rights were ascribed the following value:

<b>Assumptions:</b>	
Valuation date	14 July 2022
Market price of Shares	\$0.10
Exercise price	Nil
Expiry date (length of time from issue)	5 years
Risk free interest rate	3.089%
Volatility (discount)	0%
<b>Indicative value per Performance Right</b>	<b>\$0.10</b>
<b>Total Value of Performance Rights</b>	<b>\$600,000</b>
Ramiz Boulos (Resolution 7)	\$600,000

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

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**SCHEDULE 6 – SUMMARY OF LETTERS OF APPOINTMENT**

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**David Vincent**

<b>Director's Fees</b>	<p>\$30,000 per annum (inclusive of superannuation)</p> <p>To be issued in Shares during the first 12 months of appointment, subject to receipt of all necessary shareholder approval.</p> <p>Any Shares issued in lieu of Director's fees will be issued at a deemed issue price of \$0.10 per Share.</p>
<b>Director's Fees per Sub Committee</b>	<p>\$10,000 per annum (inclusive of superannuation)</p>
<b>Term</b>	<p>The appointment will cease at the end of any meeting at which David Vincent is not re-elected as a Director by Shareholders, or otherwise ceases to be a Director in accordance with the terms of the Company's constitution.</p>

**Giuseppe Lenzo**

<b>Director's Fees</b>	<p>\$30,000 per annum (inclusive of superannuation)</p> <p>To be issued in Shares during the first 12 months of appointment, subject to receipt of all necessary shareholder approval.</p> <p>Any Shares issued in lieu of Director's fees will be issued at a deemed issue price of \$0.10 per Share.</p>
<b>Director's Fees per Sub Committee</b>	<p>\$10,000 per annum (inclusive of superannuation)</p>
<b>Term</b>	<p>The appointment will cease at the end of any meeting at which Giuseppe Lenzo is not re-elected as a Director by Shareholders, or otherwise ceases to be a Director in accordance with the terms of the Company's constitution.</p>

## PROXY FORM



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

Holder Number:

Your proxy voting instruction must be received by **10.00am (AWST) on Saturday, 3 September 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
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote i



## 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>.



