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# IODM LIMITED

# ABN 28 102 747 133

# NOTICE OF ANNUAL GENERAL MEETING

**TIME**: 10.30 am (AEDT)

**DATE**: Thursday 21 October 2021

***This Notice of Annual General Meeting is an important document and requires your immediate attention. Please read it carefully. If you are in doubt as to what you should do, please consult your professional adviser.***

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of IODM Limited ("Company") will be held as an online only meeting at 10.30am (AEDT) on Thursday 21 October 2021 (Meeting).

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

Shareholders may attend and vote at the Meeting, via an online electronic platform or by proxy. Shareholders are urged to vote by returning a completed Proxy Form. Instructions on how to complete a Proxy Form are set out in the Explanatory Memorandum.

Proxy Forms must be received no later than 10.30am (AEDT) on Tuesday 19 October 2021.

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Schedule 1 of the Explanatory Memorandum.

## AGENDA

### ORDINARY BUSINESS

**Financial Statements and Reports**

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Directors' report, the remuneration report and the auditor's report.

### 1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

*"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 ended 30 June 2021."*

*Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.*

**Voting Prohibition Statement:**

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

(a) the proxy is either a member of the Key Management Personnel; or a Closely Related Party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this resolution.

However, the above prohibition does not apply if:

(c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; an

(d) the voter is the Chair and the appointment of the Chair as a proxy does not specify the way the proxy is to vote on this resolution then the voter must expressly authorise the Chair to exercise the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

## 2. RESOLUTION 2 – RE-ELECTION OF A DIRECTOR – MR ANTHONY SMITH

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

*"That, for the purpose of clause 8.1(c) of the Constitution and for all other purposes, Mr Anthony Smith, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

## 3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – SHARES

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 11,666,667 Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by a person or on behalf of:

- A person who participated in the issue or is a counterparty to the agreement being approved: or
- An Associate of that person or those persons

Certain voting exclusions are described under Resolution 3 in the Notice. However, the voting exclusions do not apply to a vote cast in favour of a resolution by:

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

(b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or

(c) a holder acting solely in 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

## 4. RESOLUTION 4 – APPROVAL OF LONG TERM 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 7.2, Exception 13 and for all other purposes, Shareholders approve the Long Term Incentive Plan ("LTIP") and the grant of Awards on the terms and conditions in the Explanatory Statement."*

**Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by a person or on behalf of:

- A person who is eligible to participate in the Employee Share Option Plan or an associate of any such person, regardless of the capacity in which the vote is cast: or:
- As a proxy by person who is a member of the Company's KMP and Directors at the date of the meeting or their closely related parties
- Certain voting exclusions are described under Resolution 4 in the Notice. However, the voting exclusions do not apply to a vote cast in favour of a resolution by:

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

(b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or

(c) a holder acting solely in 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

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## 5. RESOLUTION 5 – APPROVAL OF ISSUE OFEMPLOYEE SHARE OPTIONS TO MR MARK REILLY

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

*"That, for the purposes of section 208 of the Corporations Act and Listing Rule 10.14, and for all other purposes, approval is given for the issue of 416,667 Employee Share Options to Mr Mark Reilly (and/or his nominee) under the Employee Share Option Plan as set out in the Explanatory Statement."*

**Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by a person or on behalf of

- a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question; or

- an associate of that person or those persons.

However, the voting exclusions do not apply to a vote cast in favour of a resolution by:

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

(b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or

(c) a holder acting solely in 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

## 6. RESOLUTION 6 – APPROVAL OF ISSUE OF EMPLOYEE SHARE OPTIONS TO MS PETRINA HALSALL

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

*"That, for the purposes of section 208 of the Corporations Act and Listing Rule 10.14, and for all other purposes, approval is given for the issue of 166,667 Employee Share Options to Ms Petrina Halsall (and/or her nominee) under the Employee Share Option Plan as set out in the Explanatory Statement."*

**Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by a person or on behalf of

- a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question; or

- an associate of that person or those persons.

However, the voting exclusions do not apply to a vote cast in favour of a resolution by:

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

(b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or

(c) a holder acting solely in 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

## 7. RESOLUTION 7 – APPROVAL OF ISSUE OF EMPLOYEE SHARE OPTIONS TO DR PAUL KASIAN

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

*"That, for the purposes of section 208 of the Corporations Act and Listing Rule 10.14, and for all other purposes, approval is given for the issue of 100,000 Employee Share Options to Dr Paul Kasian (and/or his nominee) under the Employee Share Option Plan as set out in the Explanatory Statement."*

**Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by a person or on behalf of

- a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question; or
- an associate of that person or those persons.

However, the voting exclusions do not apply to a vote cast in favour of a resolution by:

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

(b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or

(c) a holder acting solely in 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

## 8. RESOLUTION 8 – APPROVAL OF ISSUE OF EMPLOYEE SHARE OPTIONS TO MR ANTHONY SMITH

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

*"That, for the purposes of section 208 of the Corporations Act and Listing Rule 10.14, and for all other purposes, approval is given for the issue of 533,333 Employee Share Options to Mr Anthony Smith (and/or his nominee) under the Employee Share Option Plan as set out in the Explanatory Statement."*

**Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by a person or on behalf of

- a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question; or
- an associate of that person or those persons

However, the voting exclusions do not apply to a vote cast in favour of a resolution by:

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

(b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or

(c) a holder acting solely in 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

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## 9. RESOLUTION 9 - APPROVAL OF ISSUE OF EMPLOYEE SHARE OPTIONS TO MR BRIAN JAMIESON

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

*"That, for the purposes of section 208 of the Corporations Act and Listing Rule 10.14, and for all other purposes, approval is given for the issue of 193,333 Employee Share Options to Mr Brian Jamieson (and/or his nominee) under the Employee Incentive Plan as set out in the Explanatory Statement."*

**Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by a person or on behalf of

- a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question; or
- an associate of that person or those persons

However, the voting exclusions do not apply to a vote cast in favour of a resolution by:

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

(b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or

(c) a holder acting solely in 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

## 10. RESOLUTION 10 – INCREASE IN NON-EXECUTIVE DIRECTORS' FEES

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

*"That, for the purpose of ASX Listing Rule 10.17, clause 8.3(a) of the Constitution and for all other purposes, the maximum aggregate annual remuneration that may be paid by the Company as remuneration for services as a Non-Executive Directors of the Company be increased by $200,000 from $550,000 to $750,000 per annum (including the superannuation guarantee contributions payable by the Company to Directors)".*

**Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by a person or on behalf of:

- Any Directors or any associate of a Director, regardless of the capacity in which the vote is cast; or : or
- As a proxy by a person who is a member of the Company's KMP at the date of the Meeting or their closely related parties

Certain voting exclusions are described under Resolution 10 in the Notice. However, the voting exclusions do not apply to a vote cast in favour of a resolution by:

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

(b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or

(c) a holder acting solely in 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

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**11. RESOLUTION 11 – 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 pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."*

**DATED: 20 SEPTEMBER 2021**

**BY ORDER OF THE BOARD**

**MS PETRINA HALSALL**

**COMPANY SECRETARY**

**IODM LIMITED**

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## EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the online Annual General Annual General Meeting at 10.30am (AEDT) on Thursday 21 October 2021 (Meeting**).**

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Directors' report, the remuneration report and the auditor's report.

The Company is not required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at **www.iodm.com.au**

### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2021.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

#### 2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on Resolution 1 are voted against adoption of the remuneration report in two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of Directors of the Company (**Spill Resolution**) at the second annual general meeting.

If more than 50% of votes cast are in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the second annual general meeting. All of the Directors who were in office when the Directors' report (as included in the Company's annual financial report for the financial year ended immediate before the second annual general meeting) was approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

#### 2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

#### 2.4 Proxy Restrictions

Shareholders appointing a proxy for Resolution 1 should note the following:

***If you appoint a member of the Key Management Personnel as your proxy***

If you elect to appoint a member of Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of that member, ***you must direct the proxy how they are to vote.*** Undirected proxies granted to these persons will not be included in any vote on Resolution 1.

***If you appoint the Chair as your proxy***

If you elect to appoint the Chair as your proxy, you do not need to direct the Chair how you wish them to exercise your vote on Resolution 1.

***If you appoint any other person as your proxy***

You do not need to direct your proxy how to vote, and you do not need to tick any further acknowledgement on the proxy form.

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## 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR ANTHONY SMITH

Clause 8.1(c) of the Constitution requires that if the Company has three or more Directors, one third (or the number nearest one-third) of those Directors must retire at each annual general meeting, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

A Director who retires by rotation under clause 8.1(c) of the Constitution is eligible for re-election.

Accordingly Mr Anthony Smith retires in accordance with the Constitution and, being eligible for re-election, offers himself for re-election at the Annual General Meeting.

## 4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – SHARES

### 4. 1 General

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

**Resolution 3 – Ratification of previous issue of shares to professional and sophisticated investors**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Share Placement Ratification:

(a) 11,666,667 shares were issued pursuant to Listing Rule 7.1;

(b) the issue prices of the Shares were as follows
$0.015

(c) the issue date was 5 January 2021

(d) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

(e) the Shares were issued to a UK professional investor under a private placement who was not a related party or associate of the Company; and

(f) funds raised from the exercise of options were used to fund the development of new architecture

**Directors' recommendation**

The Directors recommend that you vote in favour of this resolution.

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

5.1 Background

Resolution 4 seeks Shareholder approval to adopt the Employee Share Option Plan (ESOP) to enable the Company to issue Performance rights and/or Options to eligible directors, executives and senior employees.

The Company considers that the participation in the ESOP, that is structured around equity-based compensation, is necessary and appropriate to attract and retain high calibre professionals to the Company while prudently managing the Company's cash reserves.

Under Listing Rule 7.2, Exception 13, for issues under an employee incentive scheme not to count towards the 15% capacity to issue share capital in a 12 month period without Shareholder approval, Shareholder approval of the employee incentive scheme is required:

- Every three years; or



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- If there is a material change to the term of an approved employee incentive scheme

If this Resolution 4 is not passed, and if the Board decides to issue any Performance Rights under the ESOP (notwithstanding the non-approval), any Performance Rights issued will be included in calculating the Company's capacity under Listing Rule 7.1 effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

5.2 Specific information by Listing Rule 7.2

For the purpose of Listing Rule 7.2, Exception 13 the following information is provided

A summary of the material terms of the ESOP is set out in Schedule 1 and form part of the Notice. A full copy of the ESOP is available at the Company's website.

The is the first time the Company has sought approval of the Plan. The securities previously issued under the Plan are detailed in the Company's 2021 Annual Report. As at the date of this notice, the Company has a total of 12,667,804 Unquoted options on issue to Eligible Employees in accordance with the terms of the Plan as in force at the time.

**Directors' Recommendation**

The Directors recommend you vote in favour of this resolution. If an offer is made to KMP and Directors to participate in the ESOP, then separate Shareholder approval will be obtained prior to Performance rights and/or Options being issued.

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## 6. RESOLUTION 5 TO 9 PROPOSED ISSUE OF DIRECTOR SHARE OPTIONS TO KEY MANAGEMENT PERSONNEL AND DIRECTORS AND/OR NOMINEES

Resolutions 5 to 9 seek the approval of Shareholders to issue a total of 1,410,000 Employee Share Options to the Key Management Personnel (KMP - CEO and COO) and being Mr M Reilly, Ms P Halsall, and Non-Executive Directors being Dr Paul Kasian, Mr Anthony Smith and Mr Brian Jamieson (and/or their nominees). Approval is sought pursuant to section 208 of the Corporations Act and Listing Rule 10.14.

### 6.1 Background

The Key Management Personnel and Director Employee Share Options contemplated by Resolutions 5 to 9 will be issued to the KMP and Directors to align the long term goals of the KMP and Directors with that of Shareholders and to establish an incentive for the KMP and Directors to provide ongoing dedicated services to the Company. These Employee Share Options are intended to provide remuneration to the KMP and Directors (and/or their nominees) that is linked to the performance of the Company. The benefit would only be received from the KMP and Director Employee Share Options upon the Share price exceeding the exercise price of the KMP and Director Employee Share Options and thereby warranting their exercise.

Under the Company's current circumstances, the Directors consider that the incentive noted above, represented by the issue of KMP and Directors Employee Share Options, is a cost effective and efficient reward and incentive to provide the KMP and Directors, as opposed to alternative forms of incentive such as payment of cash compensation only. In addition, the Board consider it prudent to remunerate the KMP and Directors by way of KMP and Director Employee Share Options as to preserve the cash reserves of the Company.

The terms of the Employee Share Plan (ESOP) are summarised in Schedule 1.

### 6.2 Section 208 of the Corporations Act

Section 208 of the Corporations Act states that a public company cannot give a "financial benefit" (including an issue of shares and options) to a "related party" of the Company unless one of the exceptions set out in section 210 to 216 of the Corporations Act apply, or the holders of ordinary securities have approved the giving of the financial benefit to the related party in a general meeting.

Each of the KMP and Directors is a related party of the Company within the meaning specified under section 228 of the Corporations Act. Further, the provision of the KMP and Director Incentive Options constitutes a financial benefit within the meaning of section 229 of the Corporations Act. Accordingly, Shareholder approval is sought under section 208 of the Corporations Act to permit the issue of the Director Employee Share Options on the terms set out in Resolutions 5 to 9 to the Directors (and/or their nominees) as related parties of the Company.

As required by section 219 of the Corporations Act, the following information is provided in relation to Resolutions 5 to 9:

**(a) Related party whom the financial benefit is to be given**

Mark Reilly, Petrina Halsall, Paul Kasian, Anthony Smith and Brian Jamieson (and/or their nominees).



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**(b) Nature of the financial benefit**

The number of KMP and Director Employee Share Options proposed to be issued to KMP and each Director (and/or its nominees) is as follows:

| Director | Number of Tranche 1 Incentive Options | Number of Tranche 2 Incentive Options | Number of Tranche 3 Incentive Options |
|---|---|---|---|
| Mr Mark Reilly | 138,889 | 138,889 | 138,889 |
| Ms Petrina Halsall | 55,556 | 55,556 | 55,555 |
| Dr Paul Kasian | 33,334 | 33,333 | 33,333 |
| Mr Anthony Smith | 177,778 | 177,778 | 177,777 |
| Mr Brian Jamieson | 64,445 | 64,444 | 64,444 |
| **Total** | **470,002** | **470,000** | **469,998** |

**(b) Current remuneration and Relevant Interests**

Details of the KMP and Directors' current annualised remuneration, as well as their interests (both direct and interest) in the Company as at the date of the Notice of Meeting are outlined below:

| Director | Salary/Fees p.a. (excl. of GST and inclusive of superannuation) |
|---|---|
| Mr Mark Reilly | $275,000 |
| Ms Petrina Halsall | $175,000 |
| Dr Paul Kasian | $70,000 |
| Mr Anthony Smith | $36,000 |
| Mr Brian Jamieson | $42,000 |

The KMP and Directors' interests (both direct and interest) in the Company as at the date of the Notice of Meeting are outlined below:

| KMP/Director | Shares | Options | |
|---|---|---|---|
| | Ordinary Shares | Incentive Options - Vested | Incentive Options – Unvested |
| Mr Mark Reilly | 27,315,340 | 2,727,272 | 1,363,637 |
| Ms Petrina Halsall | 8,223,686 | 1,656,566 | 828,282 |
| Dr Paul Kasian | 28,819,697 | 303,030 | 303,031 |
| Mr Anthony Smith | 37,257,922 | 1,117,172 | 558,586 |

| | | | |
|---|---|---|---|
| Mr Brian Jamieson | 503,475 | 750,000 | 375,000 |

The above unquoted options vested and unvested were issued on 21 November 2019 under the Employee Share Option Plan at following approval at 2019 AGM with the exception of Ms Petrina Halsall who options were issued on 5 July 2019 as Shareholder approval was not required.

Shares issued to Non-Executive Directors due to exercise of options during the last three years are as follows

| | Date | No Shares |
|---|---|---|
| Dr Paul Kasian | 15/07/20 | 303,030 |
| Mr Anthony Smith | 15/01/20 | 5,000,000 |
| Mr Anthony Smith | 4/11/19 | 5,000,000 |

Options exercised by Dr Paul Kasian represented vested options issued under the Employee Share Plan in November 2019.

Options exercised by Mr Anthony Smith represented options issued for corporate advisory services in May 2018 prior to Mr Smith's appointment as a Non-Executive Director in July 2019.

**(c) Terms of the KMP and Director Employee Share Options**

Full terms and conditions of the KMP and Director Employee Share Options are set out below in 6.3(b)

**(d) Dilution**

If all of the KMP and Director Employee Share Options under Resolutions 5 to 9 (inclusive) were exercised, and no other Shares were issued by the Company the shareholding of existing Shareholders would, based on the current issued capital of the Company, be diluted by approximately 0.25%.

**(e) Opportunity costs to the Company**

The Directors do not consider that there are any opportunity costs to the Company or benefits foregone by the Company in granting the KMP and Director Employee Share Options.

**(f) Funds raised**

The KMP and Directors Employee Share Options are granted for nil consideration. Accordingly, no funds will be raised.

**(g) Directors' interests**

The KMP and each Director, as a recipient of the Employee Share Options, has a material personal interest in the outcome of the Resolution that applies specifically to them.

No Director or KMP has a material personal interest in the outcome of Resolutions 5 to 9 other than in respect of the proposed issue of Director Incentive Options to them or their nominee.

**(h) Directors' recommendation**

See section 8.4 below.

**(i) Other information**

Other than as set out in this Explanatory Statement, there is no further information which the Shareholders would reasonably require in order to decide whether or not it is in the Company's best interests to pass Resolutions 5 to 9

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### 6.3 ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides that a company must not issue equity securities to key management personnel and director or an associate of a director of the company under an employee incentive scheme without the approval of holders of ordinary securities, or to a person whose relationship with the company or a related party of the company is, in ASX's opinion, such that approval should be obtained. Further, ASX Listing Rule 7.2 (Exception 14) states that approval pursuant to ASX Listing Rule 7.1 is not required if shareholder approval is obtained under ASX Listing Rule 10.14.

The KMP and Directors are related parties of the Company within the definition specified in ASX Listing Rule 19.12. Accordingly, Shareholder approval is sought under ASX Listing Rule 10.14 to permit the issue of 1,410,000 KMP and Director Incentive Options to the Directors (and/or their nominees) as related parties of the Company on the terms set out in this Explanatory Statement and Annexure B.

The issue of the KMP and Director Employee Options under Resolutions 5 to 9 will not affect the capacity of the Company to issue securities in the next 12 months under ASX Listing Rule 7.1, as those Director Incentive Options (once issued) will be excluded from the calculations under ASX Listing Rule 7.1.

For the purposes of Listing Rule 10.14, the following information is provided to Shareholders in relation to Resolutions 5 to 9:

(a) **Maximum number of securities to be issued**

The maximum number of KMP and Director Employee Share Options proposed to be issued to KMP and each Director (and/or their nominees) is as follows:

| KMP / Director | Number of Incentive Options | Exercise Price | $ Value |
|---|---|---|---|
| Mr Mark Reilly | 416,667 | 0.30 | $125,000 |
| Ms Petrina Halsall | 166,667 | 0.30 | $ 50,000 |
| Dr Paul Kasian | 100,000 | 0.30 | $ 30,000 |
| Mr Anthony Smith | 533,333 | 0.30 | $160,000 |
| Mr Brian Jamieson | 193,333 | 0.30 | $ 58,000 |
| **TOTAL** | **1,410,000** | | **$423,000** |

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(b) **Terms for each Employee Share Option**

The key terms of the KMP and Director Employee Share Options to be issued under Resolutions 5 to 9 are set out in the following table:

| KMP/Director | Mark Reilly | Petrina Halsall | Paul Kasian | Anthony Smith | Brian Jamieson |
|---|---|---|---|---|---|
| | | | | | |
| **Expiry Date** | 30 June 2025 | 30 June 2025 | 30 June 2025 | 30 June 2025 | 30 June 2025 |
| **Exercise Price** | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 |
| **Shares Issued** | Fully paid ordinary shares which rank equally with existing Shares on issue | Fully paid ordinary shares which rank equally with existing Shares on issue | Fully paid ordinary shares which rank equally with existing Shares on issue | Fully paid ordinary shares which rank equally with existing Shares on issue | Fully paid ordinary shares which rank equally with existing Shares on issue |
| **Number Options** | 416,667 | 166,667 | 100,000 | 533,333 | 193,333 |
| **Vesting Criteria** | 138,889 – 30 June 2022<br>138,889 – 30 June 2023<br>138,889 – 30 June 2024 | 55,556 – 30 June 2022<br>55,556 – 30 June 2023<br>55,555 – 30 June 2024 | 33,334 – 30 June 2022<br>33,333 – 30 June 2023<br>33,333 – 30 June 2024 | 177,778 – 30 June 2022<br>177,778 – 30 June 2023<br>177,777 – 30 June 2024 | 64,445 – 30 June 2020<br>64,444 – 30 June 2021<br>64,444 – 30 June 2022 |

(c) **Persons referred to in Listing Rule 10.14 who received securities under the Employee Share Option Plan since the last approval**

No persons referred to in Listing Rule 10.14 have ever received any securities under the Employee Incentive Plan.

(d) **Persons referred to in Listing 10.14 entitled to participate in the Employee Share Option Plan**

Mark Reilly, Petrina Halsall, Paul Kasian, Anthony Smith and Brian Jamieson (and/or their nominees).

(e) **Loans in relation to acquisition of Employee Share Options**

There are no loans in relation to the acquisition of Employee Share Options.

(f) **Date by which entity will issue the securities**

The Employee Share Options will be issued to KMP and Directors as soon as possible after the General Meeting and in any event, no later than 1 year after the General Meeting (or such later date to the extent permitted by any ASX waiver of the ASX Listing Rules).

(g) **Details of securities issued**

Details of any securities issued under the scheme will be published in the annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under listing rule 10.14.

Any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule

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## 6.4 Directors Recommendations

The KMP and Directors, as recipients of the Employee Share Options, have a material personal interest in the outcome of the Resolution that applies specifically to them.

No Director has a material personal interest in the outcome of Resolutions 5 to 9 other than in respect of the proposed issue of Employee Share Options to them or their nominee.

**Resolution 5**

Mr Mark Reilly expresses no opinion and makes no recommendation in respect of the issue of the Employee Share Options to him (and/or his nominee) as he has a material personal interest in the outcome of Resolution 5.

Each of the Directors recommend that Shareholders vote in favour of the issue of the Employee Share Options to Mr Mark Reilly (and/or his nominee) for the reasons set out in this Explanatory Statement and on the basis that, in their opinion, the proposed issue of Employee Share Options:

(i) provides a long-term incentive to Mr Mark Reilly linked to the future success of the Company;

(ii) is a fair and reasonable alternative to additional cash payment of CEO;

(iii) recognises the contribution Mr Mark Reilly has and will continue to make to the Company; and

(iv) is in line with the remuneration benefits paid to CEOs of other companies operating in the Company's industry and in an international business environment.

**Resolution 6**

Ms Petrina Halsall expresses no opinion and makes no recommendation in respect of the issue of the Employee Share Options to her (and/or her nominee) as she has a material personal interest in the outcome of Resolution 6.

Each of the Directors recommend that Shareholders vote in favour of the issue of the Employee Share Options to Ms Petrina Halsall (and/or her nominee) for the reasons set out in this Explanatory Statement and on the basis that, in their opinion, the proposed issue of Employee Share Options:

(v) provides a long-term incentive to Ms Petrina Halsall linked to the future success of the Company;

(vi) is a fair and reasonable alternative to additional cash payment of COO;

(vii) recognises the contribution Ms Petrina Halsall has and will continue to make to the Company; and

(viii) is in line with the remuneration benefits paid to COOs of other companies operating in the Company's industry and in an international business environment.

**Resolution 7**

Dr Paul Kasian expresses no opinion and makes no recommendation in respect of the issue of the Employee Share Options to him (and/or his nominee) as he has a material personal interest in the outcome of Resolution 7.

Each of the other Directors recommend that Shareholders vote in favour of the issue of the Employee Share Options to Dr Paul Kasian (and/or his nominee) for the reasons set out in this Explanatory Statement and on the basis that, in their opinion, the proposed issue of Employee Share Options:

(i) provides a long-term incentive to Dr Kasian linked to the future success of the Company;

(ii) is a fair and reasonable alternative to additional cash payment of Chair's fees;

(iii) recognises the contribution Dr Kasian has and will continue to make to the Company; and

(iv) is in line with the remuneration benefits paid to directors of other companies operating in the Company's industry and in an international business environment.

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**Resolution 8**

Mr Anthony Smith expresses no opinion and makes no recommendation in respect of the issue of the Employee Share Options to him (and/or his nominee) as he has a material personal interest in the outcome of Resolution 8.

Each of the other Directors recommend that Shareholders vote in favour of the issue of the Employee Share Options to Mr Anthony Smith (and/or his nominee) for the reasons set out in this Explanatory Statement and on the basis that, in their opinion, the proposed issue of Employee Share Options:

(i) provides a long-term incentive to Mr Smith linked to the future success of the Company;

(ii) is a fair and reasonable alternative to additional cash payment of Director's fees;

(iii) recognises the contribution Mr Smith has and will continue to make to the Company; and

(iv) is in line with the remuneration benefits paid to directors of other companies operating in the Company's industry and in an international business environment.

**Resolution 9**

Mr Brian Jamieson expresses no opinion and makes no recommendation in respect of the issue of the Employee Share Options to him (and/or his nominee) as he has a material personal interest in the outcome of Resolution 10.

Each of the other Directors recommend that Shareholders vote in favour of the issue of the Employee Share Options to Mr Brian Jamieson (and/or his nominee) for the reasons set out in this Explanatory Statement and on the basis that, in their opinion, the proposed issue of Employee Share Options:

(i) provides a long-term incentive to Mr Jamieson linked to the future success of the Company;

(v) is a fair and reasonable alternative to additional cash payment of Director's fees;

(vi) recognises the contribution Mr Jamieson has and will continue to make to the Company; and

(vii) is in line with the remuneration benefits paid to directors of other companies operating in the Company's industry and in an international business environment

## 7. RESOLUTION 10 – INCREASE IN NON-EXECUTIVE DIRECTORS' FEES

For the purposes of Listing Rule 10.17 and clause 8.3(a) of the Constitution, Shareholder's approval is sought to increase the Directors' aggregate fee limit (AFL) by $200,000 to $750,000 per annum (up from $550,000 per annum). In accordance with Listing Rule 10.17, the AFL is inclusive of superannuation contribution made by the Company for the benefit of Directors and any fees which a Director agrees to sacrifice on a pre-tax basis.

Listing Rule 10.17 provides that an entity must not increase the total amount of Directors' fees payable by it or any of its child entities without the approval of shareholders of its ordinary securities. The rule does not apply to the salary of an Executive Director. Listing Rule 10.17 also requires that the amount of any increase and the maximum amount payable annually to the Directors as a whole be stipulated.

It is considered appropriate and necessary to set an aggregate level of fees payables to Non-Executive Directors that ensure the Company is able to attract and retain appropriate persons as Non-Executive Directors. The current aggregate level of fees payables to Non-Executive Directors of $550,000 is not considered to be adequate. Accordingly, it is proposed that the amount of funds available for payment of fees to Non-Executive Directors be increased by $200,000 to $750,000 per annum.

The proposed level of permitted fees does not mean that the Company must pay the entire amount approved as fees in each year. However, the Board considers that it is reasonable and appropriate to establish this amount as this will provide the Company with flexibility to attract appropriately qualified Non-Executive Directors and to act quickly if the circumstances require it.

On 21 November 2019 following Shareholder approval at the 2019 AGM the following options were issued to Non-Executive Directors under the Employee Share Option Plan.

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| Director | No Options | Exercise Price |
|---|---|---|
| Dr Paul Kasian | 909,091 | $0.066 |
| Mr Anthony Smith | 1,675,758 | $0.066 |
| Mr Brian Jamieson | 1,125,000 | $0.096 |

## 8. RESOLUTION 11 – APPROVAL OF 10% PLACEMENT FACILITY

### 8.1 General

Listing Rule 7.1A enables eligible entities to seek Shareholder approval 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**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that:

(a) is not included in the S&P/ASX 300 Index; and

(b) has a market capitalisation of $300 million or less (excluding restricted securities and securities quoted on a deferred settlement basis).

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of $217,332,724 as at 1 September 2021.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 8.2(c) below).

The effect of Resolution 11 will be to allow the Company to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1 or without Shareholder approval.

Resolution 11 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).

### 8.2 Description of Listing Rule 7.1A

(a) **Shareholder Approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) **Equity Securities**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

(c) **Formulae for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

**(A x D) – E**

**A** is the number of shares on issue 12 months before the date of issue or agreement

(i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;

(ii) plus the number of partly paid shares that become fully paid in the 12 months;

(iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;

(iv) less the number of fully paid shares cancelled in the 12 months.

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

**D** is 10%



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

**8.3 Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average price (**VWAP**) of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

(a) the date on which the price at which the Equity Securities are to be issued is agreed; or

(b) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (a) above, the date on which the Equity Securities are issued.

**8.4** The following information is provided to Shareholders for the purposes of Listing Rule 7.3A

Period for which the approval will be valid

An approval under this Listing Rule 7.1A commences on the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following

(a) the date on which is 12 months after the date of the annual general meeting at which the approval is obtained;

(b) the time and date of the entity's next annual general meeting; and

(c) the time and date on which Shareholders approve a transaction which under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

**8.5 Specific Information required by Listing Rule 7.3A**

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

(a) the Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:

(i) the date on which the price at which the Equity Securities are to be issued is agreed; or

(ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(b) If Resolution 11 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are exercised). There is a risk that:

(i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and

(ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

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

The table also shows:

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

(ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

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| Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2) | Dilution | | | |
|---|---|---|---|---|
| | Issue Price (per Share) | $0.19 (50% decrease in current issue price) | $0.38 (Current issue price) | $0.76 (100% increase in current issue price) |
| 571,928,221 (Current Variable A) | Shares issued – 10% voting dilution | 57,192,822 | 57,192,822 | 57,192,822 |
| | Funds raised | $10,866,636 | $21,733,272 | $43,466,544 |
| 857,892,332 (50% increase in Variable A) | Shares issued – 10% voting dilution | 85,789,233 | 85,789,233 | 85,789,233 |
| | Funds raised | $16,299,954 | $32,599,908 | $65,199,817 |
| 1,143,856,442 (100% increase in Variable A) | Shares issued – 10% voting dilution | 114,385,644 | 114,385,644 | 114,385,644 |
| | Funds raised | $21,733,272 | $43,466,544 | $86,933,089 |

The table has been prepared on the following assumptions:

(i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.

(ii) No Options (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.

(iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

(iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.

(v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

(vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

(vii) The issue price is $0.38, being the closing price of the Shares on the ASX on 1 September 2021.

(c) The Company will only issue the Equity Securities during the 10% Placement Period.

(d) The Company may seek to issue the Equity Securities for the following purposes:

(i) cash consideration to grow the business and/or additional general working capital to fund growth opportunities and technology development.

The Company will comply with the disclosure obligations under the Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities. The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility.

The identity of the recipients of Equity Securities will be determined on a case-by-case basis having regard to the factors set out in the Company's allocation policy, including but not limited to the following:

(i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;

(ii) in the case of an asset or investment acquisition, the nature and circumstances of the acquistion

(iii) the effect of the issue of the Equity Securities on the control of the Company;

(iv) the financial situation and solvency of the Company; and

(v) advice from corporate, financial and broking advisers (if applicable).

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

The Company obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its previous annual general meeting held on 21 October 2020 (**Previous Approval**).

The Company has not issued any Shares pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 21 October 2020, the Company otherwise issued a total of 12,433,333 Equity Securities which represents approximately 2.2% of the total diluted number



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of Equity Securities on issue in the Company on 21 October 2020, which was 559,494,888 which was 100% fully paid Ordinary shares.

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**ENQUIRIES**

Shareholders are required to contact the Company Secretary on +61 3 8396 5893 if they have any queries in respect of the matters set out in these documents.

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## GLOSSARY

**$** means Australian dollars.

**10% Placement Facility** has the meaning given in Section 6.1.

**10% Placement Period** has the meaning given in Section 6.4.

**AEDT** means Australian Eastern Daylight Time as observed in Melbourne, Victoria.

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

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

**ASX** means ASX Limited.

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

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

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

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

(a) a spouse or child of the member;

(b) a child of the member's spouse;

(c) a dependent of the member or the member's spouse;

(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;

(e) a company the member controls; or

(f) a person prescribed by the Corporations Regulations 2001 (Cth).

**Company** means IODM Limited (ABN 28 102 747 133).

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

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

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

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement to 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.

**Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement.

**Option** means an option which entitles the holder to subscribe for one Share.

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

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

**Share** means a share in the Company.

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

**VWAP** means volume weight average price.

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## SCHEDULE 1 – SUMMARY OF EMPLOYEE SHARE OPTION PLAN

Set out below is a summary of the key terms of the Employee Share Option Plan (ESOP) for which Shareholder approval is sought under Resolution 4.

Terms not defined in the Notice have the meaning given in the ESOP.

**Purpose**

The purpose of the Plan is to:

(a) align the interests of employees and contractors of the Company Group who are EligibleParticipants with those of the Shareholders;
(b) provide incentives to attract, retain and/or motivate Eligible Participants in the interests of the Company; and
(c) provide Eligible Participants with the opportunity to receive securities in the Company in accordance with this Plan.

**Offers under the Employee Share Option Plan**

The Board, acting in its absolute discretion may invite Eligible Participants to participate in the grant of incentives, which may comprise Options and/or Performance Rights. The vesting, exercise and other applicable conditions attached to the Incentives will be specified in the offer letter provided to the Eligible Participant.

An Eligible Participant for the purposes of the Plan includes part and full time employees, executive and non-executive directors, contractors and any other person who the Board determines should be treated as an Eligible Participant of the Plan.

**Vesting and Exercise**

Options and Equity Performance Rights granted under the Plan will vest, and in the case of Options, become exercisable, only if any vesting conditions and other relevant conditions advised to the participant by the Board have been satisfied. The Board has the discretion to alter or waive vesting conditions attaching to incentives in whole or in part.

The Board has absolute discretion regarding the vesting conditions which will apply to a grant of incentives, however, vesting conditions which typically include a combination of continued service and satisfaction of agreed performance conditions and key performance indicators. If, in the case of Options, there is a price payable for the exercise of the Options this will be determined by the Board and set out in the Offer Letter.

On vesting of an Equity Performance Right or following the exercise of an Option the Board will issue the number of Shares in respect of the Equity Performance Rights vested or the Options exercised.

**Loans in relation to acquisition of securities**

No loans are permitted in relation to the acquisition of securities granted as incentives under the Plan.

**Cessation of Employment**

The Board may determine (at its discretion) that some or all of participant's unvested incentives lapse, are forfeited, vest (immediately or subject to conditions), are only exercisable for a prescribed period before lapsing or are no longer subject to some of the restrictions which previously applied. The Board may specify in the Offer Letter how the participant's Incentives will be treated on cessation of employment.

**Lapse of Incentives**

The circumstances in which incentives will lapse are detailed in the Plan Rules and the Offer Letter. The Board may determine that incentives should lapse if the participant, in the Board's opinion has been dismissed or removed from office in certain circumstances or has engaged in any act or omission that constitutes misconduct (as detailed in the Plan Rules).

**Change of Control**

On the occurrence of a Change of Control Event The Board has discretion to determine the treatment of incentives granted under the Plan.

**Participation rights, bonus issues, re-organisation of capital**

Participants are not entitled to participate in any new issue to existing holders of securities in the Company without exercising incentives (in the case of options) or being issued shares pursuant to vesting of equity performance rights prior to the record date for the new issue. Where 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) and no share has been issued in respect of an incentive before the record date for determining entitlements to the bonus issue, then the number of underlying Shares over which



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the Incentive is exercisable is increased by the number of Shares which the Participant would have received if the Participant had exercised the Incentive prior to such record date.

If there is a reorganisation of capital of the Company then the rights of a participant (including the number of incentives to which each participant is entitled and the exercise price, if any are changed to the extent necessary to comply with the ASX Listing rules in respect of a reorganisation of capital, at the time of the reorganisation.

**Amendment to the Plan Rules**

The Board may at any time amend the Plan Rules to waive or modify the application of the any of the Plan Rules in relation to a participant.

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**All Correspondence to:**

**By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

**By Fax:** +61 2 9290 9655

**Online:** www.boardroomlimited.com.au

**By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

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# YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10.30 am (AEDT) on Tuesday 19 October 2021.**

## TO VOTE ONLINE

## BY SMARTPHONE

**STEP 1: VISIT** https://www.votingonline.com.au/iodagm2021

**STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**

**STEP 3: Enter your Voting Access Code (VAC):**

Scan QR Code using smartphone
QR Reader App

## TO VOTE BY COMPLETING THE PROXY FORM

### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

**Appointment of a Second Proxy**

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

(a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.

(b) return both forms together in the same envelope.

### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

**Proxy which is a Body Corporate**

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding**: where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore, by **10.30 am (AEDT) on Tuesday 19 October 2021.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

**Proxy forms may be lodged using the enclosed Reply Paid Envelope or:**

| | |
|---|---|
| **Online** | https://www.votingonline.com.au/iodagm2021 |
| **By Fax** | + 61 2 9290 9655 |
| **By Mail** | Boardroom Pty Limited<br>GPO Box 3993,<br>Sydney NSW 2001 Australia |
| **In Person** | Boardroom Pty Limited<br>Level 12, 225 George Street,<br>Sydney NSW 2000 Australia |

**IODM Limited**
ABN 28 102 747 133

☐ **Your Address**
This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.
**Please note, you cannot change ownership of your securities using this form.**

# PROXY FORM

## STEP 1 APPOINT A PROXY

I/We being a member/s of **IODM Limited** (Company) and entitled to attend and vote hereby appoint:

☐ the **Chair of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held virtually on **Thursday, 21 October, 2021 at 10:30 am (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1 and 4-9, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1 and 4-9, is connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1 and 4-9). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

## STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

| | | FOR | AGAINST | ABSTAIN* | | | FOR | AGAINST | ABSTAIN* |
|---|---|---|---|---|---|---|---|---|---|
| **Res 1** | Adoption of Remuneration Report | ☐ | ☐ | ☐ | **Res 7** | Approval of Issue of Employee Share Options to Dr Paul Kasian | ☐ | ☐ | ☐ |
| **Res 2** | Re-election of a Director – Mr Anthony Smith | ☐ | ☐ | ☐ | **Res 8** | Approval of Issue of Employee Share Options to Mr Anthony Smith | ☐ | ☐ | ☐ |
| **Res 3** | Ratification of Prior Issue – Shares | ☐ | ☐ | ☐ | **Res 9** | Approval of Issue of Employee Share Options to Mr Brian Jamieson | ☐ | ☐ | ☐ |
| **Res 4** | Approval of Long-Term Incentive Plan | ☐ | ☐ | ☐ | **Res 10** | Increase in Non-Executive Directors' Fees | ☐ | ☐ | ☐ |
| **Res 5** | Approval of Issue of Employee Share Options to Mr Mark Reilly | ☐ | ☐ | ☐ | **Res 11** | Approval of 10% Placement Facility | ☐ | ☐ | ☐ |
| **Res 6** | Approval of Issue of Employee Share Options to Ms Petrina Halsall | ☐ | ☐ | ☐ | | | | | |

## STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

| Individual or Securityholder 1 | Securityholder 2 | Securityholder 3 |
|---|---|---|
| | | |
| Sole Director and Sole Company Secretary | Director | Director / Company Secretary |

Contact Name……... Contact Daytime Telephone……..... Date / / 2021

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