

Notice of Annual General Meeting 2021



Notice is hereby given that the Annual General Meeting (**Meeting**) of Shareholders of QANTM Intellectual Property Limited (the **Company**) will be held on **Tuesday, 30 November 2021 commencing 10:00 am (AEDT)**. The 2021 AGM will be held online at web.lumiagm.com/361120028.

Given the continuing coronavirus (**COVID-19**) pandemic and public health concerns, the Meeting will be held as a virtual meeting through the "Lumi" online meeting platform. Information for Shareholders on how to participate in the online Meeting are set out in this Notice.

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

CONTENTS

Business of Meeting	2
Meeting Information	3
Explanatory Notes	5
Glossary	13

Business of the Meeting

Item 1: Financial Statements and Reports

To receive and consider the financial statements of the company, the Directors' Report and the Auditor's Report for the year ended 30 June 2021.

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

Item 2: Remuneration Report

To consider and, if thought fit, to pass the following as a non-binding resolution of the Company:

"To adopt the Remuneration Report for the year ended 30 June 2021."

Notes:

- In accordance with section 250R of the Corporations Act 2001, the vote on this resolution will be advisory only and will not bind the directors or the Company.
- A voting prohibition applies to this resolution (see Explanatory Notes for details).

Item 3: Re-election of Director – Mr Richard England

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

"That Mr Richard England, who having retired as a director of the Company with effect from the end of the Annual General Meeting of the Company and being eligible for re-election, offers himself for re-election, be re-elected as a director of the Company."

Item 4: Grant of Performance Rights to Craig Dower, Chief Executive Officer and Managing Director

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

"That for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant by the Company of 570,174 performance rights under the Company's Incentive Plan to the Chief Executive Officer and Managing Director, Mr Craig Dower, comprising Mr Dower's long term incentive opportunity for FY21 and FY22, on the terms specified in the accompanying Explanatory Notes."

Note:

A voting prohibition and voting exclusion statement apply to this resolution (see Explanatory Notes for details).

Item 5: Amendment to Constitution to allow virtual meetings

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

"That for the purposes of section 136(2) of the Corporations Act and for all other purposes, the Constitution of the Company be amended in the manner set out in the accompanying Explanatory Notes, with effect from the close of the Meeting."

The Explanatory Notes to this Notice provide additional information on matters to be considered at the Annual General Meeting. The Explanatory Notes form part of this Notice.

Meeting information

ENTITLEMENT TO VOTE



The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) and ASX Settlement Operating Rule 5.6.1, that the persons eligible to vote at the Meeting are those who are registered Shareholders of the Company as at 10.00 am (AEDT) on Sunday, 28 November 2021 (the **Entitlement Time**) subject to any applicable voting exclusion or voting prohibition.

This means that if you are not the registered holder of a Share in the Company at the Entitlement Time, you will not be entitled to participate in and vote at the Meeting.

PARTICIPATING IN THE MEETING

Participating online will enable Shareholders to listen to the Meeting, view the presentations, ask questions (both in writing and verbally) of the Board and auditor, and vote in real-time on Items of business.

Shareholders can participate online in the Meeting through the Lumi platform by visiting the website web.lumiagm.com/361120028 on a smartphone, tablet or computer.



To participate, Shareholders will need to enter:

- their Securityholder Reference Number (**SRN**) or Holder Identification Number (**HIN**); and
- a password, which:
 - o for Australian resident Shareholders, is the postcode for the registered address for their shareholding; or
 - o for Shareholders whose shareholding is registered at an address outside Australia, is a 3-character country code (eg for New Zealand – NZL; for the United Kingdom – GBR; for the United States – USA; for Canada – CAN). A full list of country codes is provided in an online meeting guide available on the QANTM website at <http://qantmip.com/investor-centre-3/2021-agm>.

Registration for the Meeting will open at 9.00am (AEDT) on Tuesday, 30 November 2021, one hour before the Meeting commences.

Shareholders will need the latest versions of the Chrome, Safari, Edge or Firefox web browsers. Further information about how to log in to the Lumi AGM website, to register for the Meeting, and to participate in the Meeting as a Shareholder, is available in the Virtual AGM Online Guide available at <http://qantmip.com/investor-centre-3/2021-agm>.

Proxyholder and corporate representative login details:

Proxyholders, and individuals appointed as corporate representatives on behalf of corporate Shareholders or corporate proxyholders, will need to contact Computershare, during the online registration period which will open 1 hour before the start of the Meeting on +61 3 9415 4024 to obtain login details to participate online during the AGM.

VOTING AT THE MEETING AND APPOINTMENT OF PROXIES

Voting on all Items of business will be decided by way of a poll. The Chairman of the Meeting will open the poll at the beginning of the Meeting and the poll will remain open until the close of the Meeting. Shareholders are encouraged to lodge a directed proxy before the proxy deadline even if they plan to attend the meeting online.

Shareholders may vote at the Meeting in either of two ways:

- during the Meeting, while participating in the Meeting online through the Lumi platform; or
- by appointing a proxy prior to the deadline of 10:00 am (AEDT) on Sunday, 28 November 2021.

Appointment of a Proxy

A Shareholder who is entitled to participate in and vote at the Meeting is entitled to appoint a proxy to participate in the meeting and vote on behalf of the Shareholder. A Shareholder who is entitled to cast two or more votes may appoint up to two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. A proxy need not be a Shareholder of the Company.

Meeting information (continued)

Shareholders can appoint a proxy in the following ways:

- (1) **Online:** All Shareholders can access the www.investorvote.com.au website, and appoint a proxy online.
- (2) **By submitting a printed Proxy Form:** Proxy Forms can be submitted:
 - **by mail** to Computershare Investor Services Pty Limited (**Computershare**) at GPO Box 242, Melbourne Vic 3001. Please allow sufficient time so that it reaches Computershare by the Proxy Deadline;
 - **by fax** to Computershare on 1800 783 447 (if sent from inside Australia) or +61 3 9473 2555 (if sent from outside Australia); or
 - **by hand delivery** to Computershare at 452 Johnston Street, Abbotsford, VIC 3067.
- (3) **Custodians may lodge** their Proxy Forms online by visiting www.intermediaryonline.com.

Subject to the specific proxy provisions applying where a Shareholder appoints the Chair of the Meeting as proxy (see below), if a Shareholder has not directed their proxy how to vote, then the proxy may vote as the proxy determines.

Appointment of two proxies

If the Shareholder appoints two proxies:

- The Shareholder may specify the proportion or number of votes that each proxy is entitled to exercise.
- If no proportion or number of votes is specified, each proxy may exercise half of the Shareholder's votes.
- If the specified proportion or number of votes exceeds that to which the Shareholder is entitled, each proxy may exercise half of the Shareholder's votes.
- Any fractions of votes brought about by the apportionment of votes to a proxy will be disregarded.

Proxy Voting by the Chair

With respect to Item 2 (Remuneration Report) and Item 4 (Grant of Performance Rights to Craig Dower, Chief Executive Officer and Managing Director), if the Chair is appointed as a Shareholder's proxy and that Shareholder has not specified the way in which the Chair is to vote on Item 2 and/or Item 4 (by marking the appropriate box directing the Chair to vote "For" or "Against", or to "Abstain"), then, as stated on the Proxy Form, the Shareholder will be taken to be authorising the Chair to vote **IN FAVOUR** of Items 2 and/or 4 (as applicable), even though Items 2 and 4 are connected directly or indirectly with the remuneration of Key Management Personnel.

With respect to all other Items of business, where the Chair is appointed as a Shareholder's proxy and that Shareholder has not specified the way in which the Chair is to vote, the Chair intends to vote all such undirected proxies **IN FAVOUR** of the resolutions in the Notice of Meeting.

Deadline for submission of Proxy Forms and online appointment of proxies

To be effective, the Proxy Form must be completed, signed and submitted with the Company's share registry, or appointment of a proxy must be completed through the www.investorvote.com.au online facility, **no later than 10:00 am (AEDT) on Sunday 28 November 2021** (the **Proxy Deadline**).

Proxy Forms signed by attorneys

If the Proxy Form is signed by an attorney, the relevant original power of attorney, or a certified copy of it, must also be submitted by mail or delivered by hand, and must be received by the Company's share registry before the Proxy Deadline.

Explanatory notes

CORPORATE REPRESENTATIVES AND CORPORATE PROXIES

Bodies corporate who are Shareholders, or who have been appointed as proxies, may appoint an individual as a corporate representative to participate in and vote at the Meeting on their behalf. Corporate representatives must be appointed in accordance with section 250D of the Corporations Act.

QANTM requires evidence of the appointment as a corporate representative, in the form of a copy of the letter or other document confirming that the corporate representative is authorised to act in that capacity, properly executed in accordance with the body corporate's constitution, to be received by the Company before the commencement of the Meeting. Shareholders and corporate representatives are encouraged to provide the documentation evidencing appointment to Computershare by **10:00 am (AEDT) on Sunday, 28 November 2021**.

A suitable form of authorisation may be obtained by calling Computershare on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia), or online at www.investorcentre.com/au (select "Printable Forms").

ASKING QUESTIONS – BEFORE AND AT THE MEETING

Written questions for the Company's auditor, Deloitte, should be submitted to the Company no later than the fifth business day before the Meeting, being Tuesday, 23 November 2021, and should relate to the content of the Auditor's Report and the conduct of the audit. The auditor will also participate online in the Meeting.

It is preferred that written questions for the Company's auditor and also in relation to other items are submitted by email to investor.relations@qantmip.com.

Participants in the Meeting may also submit written questions and comments online, and ask questions verbally, during the Meeting via the Lumi platform.

ANNUAL REPORT

The Company's full 2021 Annual Report may be accessed on our website at www.qantmip.com, under the "Investor Centre" tab.

BY ORDER OF THE BOARD

Nicholas Ward
Company Secretary
22 October 2021

These Explanatory Notes provide additional information on matters to be considered at the Annual General Meeting. The Explanatory Notes form part of the Notice of Meeting.

ITEM 1 – Financial Statements and Reports

As required by section 317 of the Corporations Act, the financial statements, Directors' Report and Auditor's Report of the Company for the most recent financial year will be presented to the Meeting. The financial statements of the Company and its subsidiaries, the Directors' Report and the Auditor's Report are contained in the "Financial Report" section of the Company's 2021 Annual Report.

There is no requirement for a formal resolution on this Item of business.

The Chair of the Meeting will allow a reasonable opportunity during the Meeting for Shareholders to ask questions about or make comments on the management of the Company. Shareholders will also be given a reasonable opportunity during the Meeting to ask the Company's auditor, Deloitte, questions about the:

- (a) Auditor's Report,
- (b) Conduct of its audit of the Company's financial statements for the year ended 30 June 2021;
- (c) Preparation and content of the Auditor's Report;
- (d) Accounting policies adopted by the Company in its preparation of the financial statements; and
- (e) Independence of Deloitte in relation to the conduct of the audit.

Shareholders may submit written questions for the auditor in relation to the above matters. Written questions to the auditor must be received by the Company no later than 5.00pm (AEDT) on Tuesday 23 November 2021.

Explanatory notes (continued)

ITEM 2 – Adoption of Remuneration Report

In accordance with section 300A of the Corporations Act, the Company has prepared a Remuneration Report for the consideration of Shareholders.

The Remuneration Report is found in the Annual Report for the year ended 30 June 2021.

As provided by section 250R(3) of the Corporations Act, the resolution on this Item of business is advisory only and does not bind the Board or the Company. However, the Directors will take into account the discussion on this Item of business and the outcome of the vote when considering future remuneration arrangements for Directors and senior executives.

Shareholders will have an opportunity to comment on or ask questions about the Remuneration Report during the Meeting.

Board Recommendation

The Board unanimously recommends that Shareholders vote **IN FAVOUR** of this resolution.

Voting Prohibition

As required by the Corporations Act, the Company will disregard any votes cast on Item 2 by any member of the Company's Key Management Personnel or a Closely Related Party of any such member unless the person:

- votes as a proxy appointed by writing that specifies how the person is to vote on the resolution; or
- is the Chair of the Meeting and votes as a proxy appointed by writing that expressly authorises the Chair to vote on the resolution even though that resolution is connected with the remuneration of a member of the Company's KMP.

What this means for Shareholders: If you intend to appoint a member of the KMP (such as one of the Directors) as your proxy, please ensure that you direct them how to vote on the proposed resolution in Item 2. If you intend to appoint the Chair of the Meeting as your proxy, you can direct him how to vote by marking the boxes for Item 2 (for example, if you wish to vote for, against or abstain from voting), or you can choose not to mark any of the boxes for Item 2, in which case, as stated on the Proxy Form, you will be taken to be expressly authorising the Chair to vote your undirected proxy as the Chair determines (in which case the Chair will vote **IN FAVOUR** of this Item 2).

ITEM 3 - Re-election of Mr Richard England

Item 3 deals with the re-election of Mr Richard England, who was appointed as a Non-Executive director of the Company on 17 May 2016 and last re-elected as a director at the 2018 Annual General Meeting on 29 November 2018.

In accordance with the ASX Listing Rules and the Company's Constitution an election of Directors must be held at each annual general meeting. Under clause 64.1 of the Company's Constitution, the Director to retire will be the Director who has been longest in office since their last election.

Mr England is required to retire in accordance with clause 64.1 of the Company's Constitution and being eligible, he is standing for re-election at the Meeting.

Mr England is Chair of the Board of Directors and Chair of the People, Remuneration and Culture Committee, and a member of the Audit, Risk and Compliance Committee. Having had regard to the ASX Corporate Governance Principles and Recommendations (4th edition), the Board considers Mr England to be an independent Non-Executive Director.

He was formerly a partner at Ernst & Young from 1988 to 1994 and a consultant until 2003. Mr England is a Fellow of Chartered Accountants Australia and New Zealand and a Member of the Australian Institute of Company Directors.

Mr England is Chairman and Non-Executive director of Hobart International Airport Pty Ltd, and a Non-Executive director of HBF Health Limited, Friendly Society Medical Association Limited (trading as National Pharmacies), and Gardior Pty Ltd (the Trustee of The Infrastructure Fund).

As noted in the Company's Annual Report, Mr England intends to retire as Chair of the Board and as a Non-Executive director of the Company in the first half of calendar year 2022, with Sonia Petering to succeed Mr England as Chair of the Board and with a process currently under way to identify suitable candidates to serve as Non-Executive directors. The Board believe that Mr England's depth of experience and knowledge will continue to help QANTM create shareholder value, and oversee and contribute to this process of Board renewal.

Board Recommendation

The Board supports the re-election of Mr Richard England, and unanimously recommends that Shareholders vote **IN FAVOUR** of the resolution.

Chair's Voting Intention

The Chair of the Meeting intends to vote all available undirected proxies **IN FAVOUR** of Item 3.

Item 4: Grant of Performance Rights to Craig Dower, Chief Executive Officer and Managing Director

General

The Company is seeking the approval of Shareholders to award two tranches of performance rights (**Rights**), comprising a total of 570,174 Rights, to its Chief Executive Officer and Managing Director, Mr Craig Dower, in accordance with his Executive Service Agreement (**ESA**) with the Company.

- 285,087 Rights as Mr Dower's long term incentive (LTI) opportunity for FY21 (with the terms of the LTI scheme for QANTM executives not having been finalised until after the 2020 AGM)(the **FY21 Rights**); and
- 285,087 Rights as Mr Dower's LTI opportunity for FY22 (the **FY22 Rights**),

with each Right valued at \$1.14, being the volume weighted average price for QANTM shares traded on the ASX in the five trading days after the "ex dividend" date in September 2021, rounded up to the nearest whole cent.

Some or all of these Rights may vest as Shares, subject to the satisfaction of performance measures detailed below and subject also to continued service over a three year performance period.

If approved, the Rights will be issued under the Company's Incentive Plan. The Company adopted the Incentive Plan to assist in the reward, motivation and retention of key personnel, to recognise the abilities, efforts and contributions of participants to the Company's performance and success, and to facilitate a proportion of remuneration being in the form of long term incentives and in the form of equity, in order to increase alignment of the interests of participants with the interests of the Company and its shareholders.

Shareholder approval under ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- 10.14.1 a director of the company;
- 10.14.2 an associate of a director of the company; or
- 10.14.3 a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

Mr Dower is a Director of the Company and the issue of Rights to him falls within ASX Listing Rule 10.14.1 and therefore requires the approval of the Shareholders.

If Shareholder approval under ASX Listing Rule 10.14 is obtained, then any securities issued to Mr Dower will not require approval under ASX Listing Rule 10.10 and will not be counted towards the Company's placement capacity under ASX Listing Rule 7.1.

Item 4 seeks the required Shareholder approval for the award of the Rights to Mr Dower, and any consequential issue of Shares to, or acquisition of Shares on behalf of, Mr Dower under the Incentive Plan under and for the purposes of ASX Listing Rule 10.14.

If the Resolution is passed, the Company will be able to proceed with the award of the Rights to Mr Dower and any consequential issue of Shares to, or acquisition of Shares on behalf of, Mr Dower under the Incentive Plan. It is proposed that the Rights would be issued within one month of the date of this Meeting. If the Resolution is not passed, the Company will not be able to proceed with the award of Rights to Mr Dower under the Incentive Plan.

It is noted that any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of securities under the Incentive Plan after the resolution is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under that rule. Other than Mr Dower, no other persons referred to in ASX Listing Rule 10.14 (including the Directors and associates of Directors) have received securities under the Incentive Plan since its adoption upon ASX listing of the Company in August 2016 or approval at the 2019 Annual General Meeting of the Company.

Details of Craig Dower's Remuneration

Mr Dower's current total remuneration package is comprised of fixed remuneration, at risk short term incentives, and at risk long-term incentives, as set out below.

Fixed remuneration

Mr Dower's total fixed remuneration is \$650,000 per annum, inclusive of superannuation.

Explanatory notes (continued)

Short term incentives

Mr Dower has the opportunity each year to earn a short term incentive (STI) up to a maximum value equal to 50% of Mr Dower's total fixed remuneration, subject to performance metrics to be determined by the QANTM Board with respect to each QANTM financial year. With respect to FY21, the STI was subject to achievement of Key Performance Indicators (KPIs) approved by the Board based on a combination of Company financial performance (70% weighting) and individual KPIs based on strategic initiatives (30% weighting). The QANTM Board of Directors retains a discretion to vary or cancel short term incentive payments to Mr Dower. The value of the STI payments received by Mr Dower since commencement of employment with the Company are disclosed in the Directors Report in the Annual Report.

Long-Term Incentive

The terms of Mr Dower's Executive Service Agreement with the Company (the **ESA**) entitle Mr Dower to an annual LTI opportunity equal to 50% of Mr Dower's Total Fixed Remuneration, with the first LTI being available with respect to FY21.

FY21 and FY22 Long Term Incentive

It is proposed that Mr Dower receive under the Incentive Plan a grant of:

- 285,087 performance rights with respect to FY21, with a total face value of \$324,999.18 (such rights, the **FY21 Rights**); and
- 285,087 performance rights with respect to FY21, with a total face value of \$324,999.18 (such rights, the **FY22 Rights**).

Each Right is valued at \$1.14, being the volume-weighted average price of QANTM Shares traded on the ASX over the 5-business day period after the Shares went ex-dividend following the declaration of the final dividend for QANTM for FY21, rounded up to the nearest whole cent.

Subject to performance against the performance hurdles detailed below, each Right would vest as one Share on the day after the Company releases its audited full year results for the 2023 Financial Year (for the FY21 Rights) and the 2024 Financial Year (for the FY22 Rights). The details of the Long Term Incentive scheme for QANTM executives, including Mr Dower, were in the process of being finalised at the time of the QANTM AGM in 2020, and therefore the Rights contemplated by this resolution comprise Mr Dower's Long Term Incentive with respect to both FY21 and FY22. The Rights proposed to be granted to Mr Dower are valued on the same basis

as those granted with respect to FY22 to other QANTM executives, and the performance hurdles based on compound annual growth in earnings per Share are also aligned with Rights granted with respect to FY22 to other QANTM executives.

No consideration is payable by Mr Dower upon vesting of any Rights as Shares.

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

LTIP Performance Hurdles

The vesting of the Rights is subject to a performance hurdle based on compound annual growth rate (**CAGR**) of earnings per share (**EPS**) for QANTM Shares, measured over a 3 year period (the **Performance Period**), as well as continued employment until the vesting date.

For the FY21 Rights, the Performance Period commences on 1 July 2020 and ends on 30 June 2023, and for the FY22 Rights, the Performance Period commences on 1 July 2021 and ends on 30 June 2024. The performance hurdle operates as set out in the following table, where Target EPS CAGR is 5%, and Maximum EPS CAGR is 15%.

CAGR of EPS over the Performance Period	The percentage of the Performance rights that vest
Below Target CAGR of 5%	Nil
At Target CAGR of 5%	50%
Between Target and Maximum CAGR of 5% to 15%	Straight line pro rata vesting between 50% and 100%
At or above Maximum CAGR of 15%	100

Variation to Executive Service Agreement

The structure of this Long Term Incentive Plan would see each tranche of Mr Dower's Long Term Incentive vesting, subject to performance against the EPS performance hurdle and continued employment, in a single tranche at the end of a three year performance period. Mr Dower's ESA originally provided for vesting of each annual LTI allocation in three equal tranches 2, 3 and 4 years after grant of the applicable Rights, however, to simplify the application of the performance hurdle and align it to the hurdle applying for other QANTM executives, Mr Dower has agreed to amend his ESA to provide for vesting of all Rights to be measured over a three year performance period.

Summary of terms of the Incentive Plan

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

Overview	<p>The Incentive Plan establishes two incentive schemes, the “Exempt Shares Scheme” and the “Rights Scheme”, which involve, respectively the issue to eligible participants of Shares or rights to acquire or have issued a Share.</p>
Decisions	<p>A range of key decisions with respect to the operation of the Incentive Plan are reserved to a Plan Committee, which is defined as the committee of the Board to which power to administer the Incentive Plan has been delegated or if there has been no delegation, the Board. The People, Remuneration and Culture Committee (PRCC) is a committee of the Board to which, as set out in its Charter, among other things, the Board has delegated the role of reviewing and making recommendations to the Board on the payments under executive incentive plans and any equity based plan, including performance hurdles.</p> <p>With respect to the Incentive Plan, the PRCC acts as the Plan Committee, to the extent of administering the Incentive Plan, with its recommendations subject to approval by the Board.</p> <p>The Incentive Plan rules provide that the Board may at any time resolve to amend all or any of the provisions of the Incentive Plan rules.</p>
Eligible participants	<p>The Plan Committee may from time to time make offers to participate in the Incentive Plan to Eligible Employees, being:</p> <ul style="list-style-type: none">• employees or directors of the Company or its related bodies corporate (the Group),• service providers to the Group that the Plan Committee determine to be employees for the purposes of the Incentive Plan, or• such individuals or entities that are “associates” (as that expression is defined in section 318 of the Income Tax Assessment Act 1936 (Cth)), of any of the foregoing groups that the Plan Committee determine to be employees for the purposes of the Incentive Plan.
Incentive Plan limit	<p>Unless the Board determines otherwise, the Company may not issue under the Incentive Plan:</p> <ul style="list-style-type: none">• rights to an Eligible Employee if the total number of Shares that would be issued under the exercise of the rights, when aggregated with the number of Shares which could be issued under each outstanding offer or grant with respect to Shares or rights to acquire unissued Shares made during the previous three years under the Incentive Plan or any other employee, executive or management share scheme of the Company, would exceed 5% of the total number of issued Shares at that time; or• Shares to an Eligible Employee if the total number of Shares in the Company that would be issued, when aggregated with the number of Shares which could be issued under each outstanding offer or grant with respect to Shares or rights to acquire unissued Shares made during the previous three years under the Incentive Plan or any other employee, executive or management share scheme of the Company, would exceed 5% of the total number of issued Shares at that time.

Explanatory notes (continued)

Vesting conditions	<p>With respect to an issue of rights, the Plan Committee has discretion to set conditions which must be satisfied, and the period over which they must be satisfied in order for rights to be exercised and the corresponding Shares to be issued. The relevant vesting conditions may vary between grants.</p> <p>The Plan Committee may at its discretion, vary, reduce or waive all or any vesting conditions, including due to a change of control event, which is defined to include the Board recommending that Shareholders either accept a takeover bid for the Company, or approve or vote in favour of a scheme of arrangement for the takeover of the Company.</p> <p>Note that in the Executive Service Agreement between the Company and Mr Dower, the Company has agreed that, provided such action is not prohibited by law, where a change of control event occurs the Board will exercise its discretion to determine that Mr Dower's unvested long term incentive awards will vest in full in accordance with the terms of the Incentive Plan.</p>
Exercise price	<p>The Plan Committee has the discretion under the Incentive Plan to set an exercise price applying with respect to the conversion of rights into Shares in the Company. With respect to rights previously issued under the Incentive Plan, no exercise price has been imposed, with the only performance conditions being time and continued service.</p> <p>With respect to the proposed issue to Mr Dower of the FY21 Rights and FY22 Rights the subject of this Item 4, no exercise price will be imposed with respect to the conversion of the Rights into Shares.</p>
Lapse of rights	<p>Unless otherwise specified in the vesting conditions or determined otherwise by the Plan Committee, a right (whether vested or unvested) lapses on the earlier of:</p> <ul style="list-style-type: none"> • its specified expiry date, • the date on which the Plan Committee determines that the right should lapse because the participant, in the Plan Committee's opinion: has been dismissed or removed from office for a reason which entitles a body corporate in the Group to dismiss the participant without notice; or has committed an act of fraud, defalcation or gross misconduct in relation to the affairs of the Company or one of its related bodies corporate; or has done an act which brings the Group or any body corporate within it into disrepute; • the date on which the participant otherwise ceases employment (other than due to the occurrence of an event such as death or total and permanent disablement, or where the participant's role is made redundant). <p>In the Executive Service Agreement between the Company and Mr Dower, it has been agreed that unvested performance rights comprised in the initial allocation of "sign-on" performance rights issued on 23 June 2020 will not lapse if employment ceases as a result of the Company giving notice of termination of employment for reasons other than the usual grounds for summary dismissal (serious misconduct etc.).</p>
Restrictions on dealings in shares	<p>The Plan Committee has discretion under the Incentive Plan to impose trading or other restrictions on Shares issued to an executive pursuant to the Incentive Plan, including shares issued or transferred upon vesting of a right. A participant will forfeit any right or interest in Shares or rights, during a period to which trading restrictions apply, if the Board determines that the participant has committed an act of fraud, defalcation or gross misconduct in relation to the affairs of the Company or one of its related bodies corporate.</p>

QANTM Securities previously issued to Mr Dower under the Incentive Plan

As announced to the ASX on 23 June 2020, in FY20 Mr Dower received an allocation of 295,050 performance rights under the Incentive Plan, with each right valued at \$1.35570 (based on the volume weighted average selling price of QANTM's shares over the 5 ASX trading days immediately preceding the date of commencement of Mr Dower's employment on 13 January 2020), giving a total value of just under \$400,000 in total. No consideration was paid by Mr Dower for the issue of the rights. Of these, 59,010 rights vested as Shares on 24 March 2021. No consideration was payable by Mr Dower on vesting.

Other matters

Related Party Benefit

Mr Dower is a Director of the Company and therefore a related party of the Company by virtue of section 228(2) of the Corporations Act.

Approval is not being sought under the related party provisions (Chapter 2E) of the Corporations Act. A "financial benefit" is defined in the Corporations Act in broad terms and expressly includes a public company issuing securities. The giving of a financial benefit to a related party of a public company is ordinarily prohibited by Chapter 2E of the Corporations Act. The exceptions to the general prohibition are where the benefit is given with the approval of Shareholders, or the benefit is given in one or more of the limited circumstances in which the giving of a financial benefit to a related party of a public company is permitted.

One relevant exception to the general rule is where the provision of the financial benefit is considered to constitute reasonable remuneration given the circumstances of the Company and Mr Dower's role and responsibilities.

On this basis, as the provision of such benefit is reasonable remuneration and the Directors do not consider that the Company is required to seek additional shareholder approval under Chapter 2E of the Corporations Act in order to give Mr Dower a financial benefit that is inherent in the rights proposed to be granted pursuant to Item 4.

Termination benefits

The Corporations Act prescribes that shareholder approval must be obtained before the Company can give a person a "benefit" in connection with the person's retirement from a managerial or executive office. Under the Incentive Plan, where a participant ceases to be an employee of the Company (other than in prescribed circumstances) all unvested performance rights held by that participant will lapse.

In circumstances where the reason for that participant ceasing employment is because of death, total and permanent disability, retirement or redundancy the Board has discretion as to how unvested performance rights are treated. In the context of exercising this discretion, providing Securities to the person may constitute a termination benefit regulated by Part 2D.2 of the Corporations Act. The value of the benefit received will be the market price of the shares that are received following the exercise of the vested performance rights.

Voting Prohibition

A person appointed as a proxy must not vote, on the basis of that appointment, on a resolution connected directly or indirectly with the remuneration of a member of the key management personnel (KMP) of Company, if:

- the person is a member of the KMP of the Company; or a closely related party of a member of the KMP for the Company; and
- the appointment does not specify the way the proxy is to vote on the resolution.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of item 4 by or on behalf of any 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.

Accordingly, the Company will disregard any votes cast in favour of the resolution by or on behalf of Mr Dower, or an associate of Mr Dower, being the only persons referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who are eligible to participate in this employee incentive scheme.

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

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Explanatory notes (continued)

Board Recommendation

The Board (other than Mr Dower, who abstains because of his interest in the Resolution) unanimously recommends that Shareholders vote **IN FAVOUR** of the Resolution to grant performance rights under the Incentive Plan to the CEO and Managing Director.

Chair's Voting Intention

The Chair of the Meeting intends to vote all available undirected proxies **IN FAVOUR** of Item 4.

ITEM 5- Amendment to the Constitution

The Company's Constitution was adopted in 2016. A copy of the Constitution is available on the QANTM website at <http://qantmip.com/investor-centre-3/2021-agm>. Under Section 136(2) of the Corporations Act, a company can modify its constitution by special resolution. Accordingly, the Company seeks shareholder approval to amend its Constitution to ensure flexibility in managing general meetings.

The proposed amendment consists of the insertion of the following clause to the existing Constitution, as a new clause 47.7:

"47.7 Subject to any applicable laws, a reference in this Constitution to:

- (a) a general meeting, includes a general meeting that is held physically in one or more locations or online, virtually or electronically or by a combination of one or more of these methods and where it is held in any way online, virtually or electronically, it must be held through technology which permits attendees as a whole, including those who are not physically present, a reasonable opportunity to participate in the general meeting, including by voting and/or speaking; and*
- (b) the presence or attendance of an individual at the general meeting, includes where that individual is present physically at the location of the general meeting or is present online, electronically or virtually through the use of any technology, including for the purposes of determining a quorum or any other entitlement."*

This amendment will permit a general meeting of the Company to be held using virtual meeting technology, provided the technology gives each participant a reasonable opportunity to participate in the general meeting, including by voting and/or speaking. The amendment will ensure that the Company has the flexibility to continue conducting virtual meetings of shareholders after 31 March 2022. Companies are currently permitted to conduct meetings of shareholders using virtual meeting technology, irrespective of the provisions of their Constitution, under temporary amendments to the Corporations Act put in place by the Treasury Laws Amendment (2021 Measures No. 1) Act 2021 (Cth); however these temporary amendments are currently scheduled to expire on 31 March 2022.

This resolution is a special resolution and requires 75% of the votes cast to be in favour to be passed.

Board Recommendation

The Board unanimously recommends that Shareholders vote **IN FAVOUR** of this resolution.

Glossary

AEDT means Australian Eastern Daylight Time as observed in Sydney, Australia.

Annual General Meeting or Meeting or AGM means the meeting convened by this Notice.

Associate has the same meaning as that under the Corporations Act.

ASX means ASX Limited ACN 008 624 691.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Closely Related Party has the meaning defined in section 9 of the Corporations Act.

Company or QANTM means QANTM Intellectual Property Limited (ACN 612 441 326).

Constitution means the Company's Constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Equity Securities has the meaning given to that term in the ASX Listing Rules.

Explanatory Notes means the explanatory notes accompanying the Notice.

FY21 means the Company's financial year from 1 July 2020 to 30 June 2021.

FY22 means the Company's financial year from 1 July 2021 to 30 June 2022.

Incentive Plan means the Company's Employee Incentive Plan, which was put in place from the Company's ASX listing in August 2016, and the extension of which was approved by shareholders at the Company's 2019 AGM.

Items means the resolutions set out in the Notice, and **Item** means any one of them, as the context requires.

Key Management Personnel (or KMP) has the meaning defined in section 9 of the Corporations Act.

Lumi platform means the online facility Shareholders can use to participate in the Meeting using their computer.

Meeting means the annual general meeting of the Company, convened by this Notice.

Notice or Notice of Meeting or Notice of Annual General Meeting means this notice of annual general meeting and the Explanatory Notes.

Proxy Form means the proxy form used to appoint a proxy, which can be completed online at www.investorvote.com.au or obtained from the Company's Share Registry, Computershare.

QANTM means QANTM Intellectual Property Limited (ACN 612 441 326).

Remuneration Report means the remuneration report set out in the Directors' Report in the Company's Annual Report for FY21.

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

Shareholder means a holder of a Share.

Virtual AGM Online Guide means the guide made available on the QANTM website to assist Shareholders to participate in the Meeting.



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