



**LINIUS TECHNOLOGIES LIMITED**  
ACN 149 796 332

**NOTICE OF  
2021 ANNUAL GENERAL MEETING  
EXPLANATORY STATEMENT  
AND PROXY FORM**

**Date of Meeting:** 30 November 2021

**Time of Meeting:** 9.00am (AEDT)

**Via a web-based meeting portal**

This Notice of Annual General Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their independent professional advisers prior to voting.

**SEE OVERLEAF FOR IMPORTANT INFORMATION  
REGARDING MEETING ATTENDANCE AND VOTING**

This meeting will be held as a virtual meeting.  
Given the uncertainty surrounding COVID-19, this may change at short notice and, accordingly, Shareholders are strongly encouraged to vote via proxy prior to the Meeting or appoint the Chair as their proxy.

## IMPORTANT INFORMATION REGARDING MEETING ATTENDANCE AND VOTING

The Company will hold the Meeting as a virtual meeting via a web-based meeting portal arranged for the Meeting.

The Company considers that the health, safety and welfare of the Company's staff, its Shareholders and other stakeholders is of paramount importance given the dynamic nature of the COVID-19 pandemic, current restrictions on travel and gatherings, and the ability of both the Federal and State Governments to impose further restrictions.

All resolutions at the Meeting will be voted on by poll and Shareholders who are entitled to vote may vote either at the Meeting by poll during the Meeting electronically or prior to the Meeting by appointing a proxy. Further details of the voting methods open to Shareholders are set out in detail below.

### **Shareholders are strongly encouraged to either vote prior to the Meeting or to appoint the Chair as their proxy.**

The Board will continue to monitor the Covid-19 situation closely and details of any alternative arrangements for the Meeting will be issued to Shareholders electronically by no later than 14 days prior to the date of the Meeting or at shorter notice, depending on the circumstances.

The Company is aware that, at present, there are significant delays in the Australian postal system due to COVID-19, which may adversely affect both the receipt and return of voting forms by Shareholders. In accordance with the Treasury Laws Amendment (2021 Measures No. 1) Act 2021, the Company will not be dispatching physical copies of the Notice of General Meeting and Explanatory Statement. Instead, these documents will be emailed to all Shareholders who have provided an email address to the Company's share registrar and are otherwise available on the ASX company announcements platform at [www.asx.com.au](http://www.asx.com.au) under the ASX code of "LNU".

Shareholders who wish to attend the Meeting must first register their attendance with the Company by no later than 9.00am (AEDT) on 29 November 2021, the day prior to the day of the Meeting, by email to [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au), including the Shareholder's name, address and HIN or SRN. The Company will then email the Shareholder the details to participate in the Meeting via <https://www.advancedshare.com.au/Dashboard/Virtual-Meeting-Centre-Login> (a web-based meeting portal).

Shareholders who will attend the Meeting are encouraged to submit any questions that they may wish to put to the Company during the Meeting in writing to [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au), by no later than 9.00am (AEDT) on 29 November 2021, the day prior to the Meeting. Shareholders will also be able to ask questions during the Meeting using the web-based meeting portal, and Shareholders will be required to give their names when asking a question.

### **Enquiries**

Shareholders are requested to contact the Company Secretary on +61 3 8672 7186 if they have any queries in respect of the matters set out in this Notice of General Meeting or the Explanatory Statement.

## **Voting Eligibility**

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7.00pm (AEDT) on 28 November 2021.

## **Voting by poll**

All votes taken at the Meeting will be conducted by way of a poll.

Shareholders who wish to vote by poll during the Meeting must first notify the Company of their intention by emailing [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au), by no later than 9.00am (AEDT) on 29 November 2021, the day prior to the Meeting. Shareholders will be able to submit their email poll votes immediately after the Chair calls for a vote on each Resolution and up to a period of one hour after the Meeting ends. This means that the outcome of each Resolution will not be able to be determined until after the conclusion of the Meeting to allow the company secretary sufficient time to count such poll votes submitted by email. The result will be announced to ASX.

## **Voting by proxy**

Shareholders should note that:

1. a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
2. a proxy need not be a member of the Company; and
3. a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. To be valid, the proxy form (and any power of attorney under which it is signed) must be completed and returned by the time and in accordance with the instructions set out in the proxy form. Any proxy form received after that time will not be valid for the Meeting.

Subject to any voting restrictions set out in a voting exclusion statement in respect of the Resolutions, the Chair will vote undirected proxies on, and in favour of, each Resolution.

## **Corporate representatives**

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's members. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

For representatives attending the Meeting, the representative must, prior to the Meeting, provide evidence of his or her appointment, to the Company by email to [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au) by no later than 9.00am (AEDT) on 29 November 2021, the day prior to the Meeting, noting the authority under which the appointment is signed, unless it has previously been given to the Company. Representatives who wish to vote by poll during the Meeting must first notify the company secretary in accordance with the instructions set out above under 'voting by poll'.

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Linus Technologies Limited (**Company**) will be held on 30 November 2021 commencing at 9.00am AEDT as a virtual meeting via web-based portal accessible in accordance with the instructions set out in this booklet (**Meeting**).

The Explanatory Statement which accompanies and forms part of this Notice of Meeting describes the various Resolutions to be considered at the Meeting.

Terms and expressions used in this Notice of Meeting have the meaning given to them in the “Definitions” section located at the end of the Explanatory Statement.

### AGENDA

#### ORDINARY BUSINESS

##### Financial Statements

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To receive and consider the Annual Financial Report of the Company and its controlled entities, the Directors’ Report and the Independent Auditor’s Report in respect of the financial year ended 30 June 2021.

There is no vote on this item of business.

##### 1. Adoption of the Remuneration Report for the year ended 30 June 2021 (Advisory resolution only)

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

*“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, Shareholders approve the adoption of the Remuneration Report as contained in the Company’s Annual Financial Report for the financial year ended 30 June 2021.”*

This resolution is advisory only and does not bind the Company or the Directors. The Directors will consider the outcome of the vote and any comments made by Shareholders at the meeting when considering the Company’s future remuneration policies.

##### Voting Prohibition:

A vote on this resolution must not be cast by or on behalf of a member of the key management personnel (**KMP**), details of whose remuneration are included in the Remuneration Report, or by any of their closely related parties.

However, this does not prevent those KMP or any of their closely related parties from voting as a proxy for a person who is not a member of the KMP or a closely related party if:

- the person specifies the way the proxy is to vote on this resolution in the proxy form; or
- the person voting as a proxy is the Chair and the proxy form expressly authorises the Chair to exercise the proxy even if the resolution is directly or indirectly connected with the remuneration of a member of the KMP.

##### 2. Re-election of Director – Gerard Bongiorno

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

*“That, for the purpose of clause 6.3 of the Constitution and for all other purposes, Gerard Bongiorno, a Director retiring on rotation and being eligible for re-election, is re-elected as a Director.”*

### 3. Election of Director – John Wallace

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

*“That John Wallace, being a Director appointed as an additional Director and holding office until the next annual general meeting of the Company after his appointment in accordance with Listing Rule 14.4, be elected as a Director, effective immediately.”*

### 4. Election of Director – James Brennan

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

*“That James Brennan, being a Director appointed as an additional Director and holding office until the next annual general meeting of the Company after his appointment in accordance with Listing Rule 14.4, be elected as a Director, effective immediately.”*

## SPECIAL BUSINESS

### 5. Approval for additional 10% placement capacity

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

*“That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities, in number, equal to up to 10% of the number of Shares on issue in the Company (at the time of the issue) calculated in accordance with the formula in Listing Rule 7.1A.2 and otherwise on the terms and conditions and in the manner detailed in the Explanatory Statement.”*

### 6. Ratification of prior issue of Shares – August 2021 placement

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

*“That, for the purpose of Listing Rule 7.4 and all other purposes, Shareholders ratify and approve the prior issue by the Company under Listing Rule 7.1 of 180,000,000 Shares on the terms and conditions and in the manner detailed in the Explanatory Statement.”*

#### Voting Exclusion:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who received Shares in the Placement or an associate such a person. However, this does not apply to a vote cast in favour of the Resolution by:

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

## **7. Approval for the issue of Shares to Gerard Bongiorno – August 2021 placement**

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

*“That, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue by the Company of up to 10,000,000 Shares to Gerard Bongiorno (or his nominees) on the terms and conditions set out in the Explanatory Statement.”*

### **Voting Exclusion:**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Gerard Bongiorno (and/or his nominees) and any other person who will obtain a material benefit as a result of the issue of the securities, or an associate of those persons, except a benefit solely by reason of being a holder of ordinary securities in the Company. However, this does not apply to a vote cast in favour of the Resolution by:

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

## **8. Approval for the issue of Shares to John Wallace – August 2021 placement**

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

*“That, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue by the Company of up to 10,000,000 Shares to John Wallace (or his nominees) on the terms and conditions set out in the Explanatory Statement.”*

### **Voting Exclusion:**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr John Wallace (and/or his nominees) and any other person who will obtain a material benefit as a result of the issue of the securities, or an associate of those persons, except a benefit solely by reason of being a holder of ordinary securities in the Company. However, this does not apply to a vote cast in favour of the Resolution by:

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

## 9. Adoption of Linus Employee Incentive Plan

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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 adoption of the Linus Employee Incentive Plan for the issue of up to 254,094,610 Equity Securities, on the terms and conditions set out in the Explanatory Statement.”*

### **Voting Exclusion and Prohibition:**

The Company will disregard any votes cast in favour of this Resolution by a person who is eligible to participate in the employee incentive scheme or an associate of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

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

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member. However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chair and the appointment does not specify how the Chair is to vote but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

## 10. Approval for the issue of Remuneration Shares to John Wallace

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

*“That, subject to Shareholders approving Resolution 9, for the purpose of Listing Rule 10.14 and for all other purposes, Shareholders approve the issue by the Company of up to 6,000,000 Remuneration Shares to John Wallace (or his nominees) on the terms and conditions set out in the Explanatory Statement.”*

### **Voting Exclusion and Prohibition:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of John Wallace or any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme, or an associate of those persons. However, this does not apply to a vote cast in favour of the Resolution by

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member. However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chair and the appointment does not specify how the Chair is to vote but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

## 11. Approval for the issue of Remuneration Shares to James Brennan

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

*"That, subject to Shareholders approving Resolution 9, for the purpose of Listing Rule 10.14 and for all other purposes, Shareholders approve the issue by the Company of up to 40,000,000 Remuneration Shares to James Brennan (or his nominees) on the terms and conditions set out in the Explanatory Statement."*

### Voting Exclusion and Prohibition:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of James Brennan or any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme, or an associate of those persons. However, this does not apply to a vote cast in favour of the Resolution by

- (d) 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
- (e) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (f) 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member. However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (c) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (d) the person appointed as proxy is the Chair and the appointment does not specify how the Chair is to vote but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.



## 12. Amendments to Constitution

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

*“That, in accordance with section 136(2) of the Corporations Act, and for all other purposes, with effect from the end of the Meeting the Shareholders approve the amendments to the Constitution as described in the Explanatory Statement.”*

BY ORDER OF THE BOARD



**Giuseppe Rinarelli**  
Company Secretary

26 October 2021

# EXPLANATORY STATEMENT

## Introduction

The purpose of this Explanatory Statement (which accompanies, and forms part of, the Notice of Meeting) is to provide Shareholders with an explanation of the business to be considered and Resolutions to be proposed at the 2021 Annual General Meeting of Linus Technologies Limited ACN 149 796 332 to be held at 9.00am AEDT on 30 November 2021 and to allow Shareholders to determine how they wish to vote on those Resolutions.

Terms and expressions used in this Explanatory Statement have the meaning given to them in the “Definitions” section located at the end of this Explanatory Statement.

Shareholders are encouraged to carefully read this Explanatory Statement and the Notice of Meeting in their entirety before deciding how to vote on each resolution. Shareholders should consult their financial or other adviser if they are undecided about what to do.

## The Resolutions

### 1. Consideration of Financial Statements and Reports

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The Corporations Act requires the Directors to lay before the Annual General Meeting the Annual Financial Report of the Company (which includes the Financial Statements and Directors’ Declaration), Directors’ Report and Independent Auditor’s Report in respect of the financial year ended on 30 June 2021, as a listed public company.

In accordance with the Corporations Act, Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on these reports in line the details provided in the Important Information section set out on page 2 of these meeting documents.

There is no requirement in either the Corporations Act or the Company’s constitution for Shareholders to vote on or approve the Annual Financial Report, Directors’ Report or Independent Auditor’s Report.

### 2. Adoption of the Remuneration Report for the year ended 30 June 2021 (Resolution 1)

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#### 2.1 Background

The Remuneration Report is contained in the Directors’ Report in the 2021 Annual Report. Shareholders can access a copy of the report at the Company’s website, [www.linus.com](http://www.linus.com).

The Remuneration Report provides information about the remuneration arrangements for KMP, which includes non-executive Directors and the most senior executives, for the year to 30 June 2021.

The Remuneration Report covers the following matters:

- details of Key Management Personnel (**KMP**);
- principles used to determine the nature and amount of remuneration;
- description and details of non-executive director remuneration;
- description and details of executive remuneration;
- executive equity ownership;
- key terms of executive service agreements; and
- related party information.

Shareholders will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report. Shareholders will be asked to vote on the Remuneration Report. The resolution is advisory only and does not bind the Company or its Directors. The Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company’s remuneration policies.

Under the Corporations Act, if at least 25% of the votes cast on the resolution are against the adoption of the relevant Remuneration Report at two consecutive Annual General Meetings (each an “AGM”, and any such potential 25% or more vote ‘against’ commonly referred to as a “first strike” or “second strike”), Shareholders will be required to vote at the second of those AGMs on a resolution that another general meeting be held within 90 days, at which all of the Directors in office at the time of the Directors’ resolution to make the Directors’ Report containing that second Remuneration Report (other than the Managing Director) must stand for re-election.

## **2.2 Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

## **2.3 Information required for Shareholder approval under Listing Rules**

A vote on Resolution 1 must not be cast by or on behalf of a member of the KMP or by any of their closely related parties (such as certain of their family members, dependents and companies they control).

However, this does not prevent a member of the KMP, details of whose remuneration are included in the Remuneration Report, or any of their closely related parties from voting as a proxy for a person who is not a member of those KMP or any of their closely related parties if:

- the person specifies the way the proxy is to vote on Resolution 1 in the proxy form; or
- the person voting as a proxy is the Chair and the proxy form expressly authorises the Chair to exercise the proxy even if the resolution is directly or indirectly connected with the remuneration of a member of the KMP for the Company. If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 by marking any one of “For”, “Against” or “Abstain” on the proxy form for that item of business. As set out in the section on appointing a proxy, if you have appointed the Chair of the meeting as your proxy and you do not mark any of “For”, “Against” or “Abstain” on the proxy form, you will be authorising the Chair to vote any proxies held by him in favour of Resolution 1, even if that item is connected directly or indirectly with the remuneration of a member of the KMP for the Company. The Chair of the meeting intends to vote any undirected proxies held by him in favour of Resolution 1.

## **3. Re-election of Director – Gerard Bongiorno (Resolution 2)**

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Pursuant to the Constitution, one third of the directors are required to retire on rotation each year at annual general meeting of the Company and each of those directors is eligible for re-election at that meeting.

Gerard Bongiorno retires on rotation in accordance with the Constitution and, being eligible and having signified his candidature for the office, offers himself for re-election as a Director.

Details of Mr Bongiorno’s experience and expertise are contained in the Company’s 2021 Annual Report.

All Directors (with the exception of Mr Bongiorno as an abstention) recommend that Shareholders vote in favour of Resolution 2.

## **4. Election of Directors – John Wallace (Resolution 3) and James Brennan (Resolution 4)**

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Listing Rule 14.4 provides that any director of a company appointed as an additional director is to hold office until the next annual general meeting that company of and is then eligible for election as a director.

### **John Wallace**

Resolution 3 provides for the election of John Wallace who was appointed as an additional Director on 14 December 2020 and has since served as a non-executive Director.

US-based Mr Wallace has over 30 years of experience in tier 1 video and media organisations, across operations, and sales, with an extensive understanding and experience in technology, television and broadcasting industry.

He most recently served as President & Chief Executive Officer of Deluxe Entertainment Services, the Media & Entertainment Industry's century-old post production and video distribution services company. Since retiring from Deluxe Entertainment Services last year, Mr Wallace has been active in the startup investment community as well as continuing his service on the Board of Directors of Avid Technology, which he joined as an Independent Director in 2017.

Prior to joining Deluxe Entertainment Services, Mr Wallace served as President, Operations & Technical Services at NBCUniversal. In this role, he led the company's technology group and its global operations including studio, production, and video distribution operations. Before taking this role, Wallace was President, NBC Television Stations Division, where he led the company's owned television stations, which provide NBC network and local programming to nearly 30% of the nation's households.

Mr Wallace is a certified Six Sigma Master Blackbelt and holds a Bachelors Degree from Providence College and a Master's Degree from Montclair State University.

### **James Brennan**

Resolution 4 provides for the election of James Brennan who was appointed as an additional Director on 25 October 2021. Mr Brennan has been appointed as CEO of the Company as announced to ASX on that date.

Mr Brennan has an extensive background leading global technology adoption, driving sales and go-to-market strategies for enterprise software and SaaS businesses. He has over 20 years of experience in sales, product management, and marketing leadership roles across top organisations including Kaltura, BlueJeans Network, and Polycom. Most recently, Mr Brennan was Head of Product at IR (ASX: IRI) responsible for IR's Unified Communications business of roughly \$60m in revenue. At Kaltura, James led the direct entry of Kaltura in the Australia and New Zealand markets, helping build the first local team and partnerships. Previously, as APAC Managing Director at BlueJeans, he led the region to record growth and adoption, nearly doubling ARR in under 2 years and being named APAC Cloud Video Service Provider of the Year by analyst Frost & Sullivan. He spent 15 years at Polycom in various sales, marketing, and product leadership roles across Asia and North America and 7 years at General Motors' Delphi Automotive division in various finance roles.

He holds a Bachelor of Science degree in Finance from Penn State University and an MBA from the University of Southern California.

## **5. Approval for additional 10% placement capacity (Resolution 5)**

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### **5.1 Background**

Listing Rule 7.1A provides that an Eligible Entity may seek shareholder approval at its annual general meeting to allow it to issue, or agree to issue, Equity Securities up to 10% of its issued capital during the 12 month period after the entity's annual general meeting at which the approval is obtained (**Additional 10% Placement Capacity**).

The Company is seeking Shareholder approval under Resolution 5 to have the ability to issue Equity Securities under the Additional 10% Placement Capacity.

If Shareholders approve Resolution 5, the number of Equity Securities the Company may issue under the Additional 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (described below). The Equity Securities must be in the same class as an existing class of quoted Equity Securities of the Company. The Company currently has only one class of quoted Equity Securities on issue, being Shares. If Shareholders do not approve Resolution 5, the Company will be unable to issue Equity Securities under the 10% Placement Capacity and will therefore require separate shareholder approval or be limited to the 15% placement capacity under Listing Rule 7.1.

Resolution 5 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and entitled to vote at the Meeting must be in favour of Resolution 5 for it to be passed. Shareholders' attention is drawn to the voting exclusion statement in relation to Resolution 5 in the Notice of Meeting.

## 5.2 Listing Rule 7.1A – Eligibility criteria

The Company will be an Eligible Entity for the purposes of Listing Rule 7.1A provided it has a market capitalisation no greater than \$300 million (excluding restricted securities) (being, as at the date of the Notice of Meeting, approximately \$39 million based on the number of unrestricted securities on issue and the closing price of Shares on ASX on 22 October 2021) and is not included in the S&P/ASX 300 Index as at the date of the relevant special resolution under Listing Rule 7.1A. The Company is not included in that index. Accordingly, the Directors believe that the Company will be an Eligible Entity at the date of the Meeting.

If Shareholders approve Resolution 5, the maximum number of Equity Securities that the Company may issue under the Additional 10% Placement Capacity will be calculated according to the following formula (set out in Listing Rule 7.1A.2) (**Listing Rule 7.1A.2 Formula**):

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

Where:

- A** = The number of fully paid ordinary shares on issue at the commencement of the relevant period:
- plus the number of fully paid ordinary shares issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
  - plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
    - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
    - the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4
  - plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue + securities within rule 7.2 exception 16 where:
    - the agreement was entered into before the commencement of the relevant period; or
    - the agreement or issue was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4,
  - plus the number of any other fully paid ordinary securities issued in the relevant period with approval under rule 7.1 or rule 7.4,
  - plus the number of partly paid ordinary shares that became fully paid in the relevant period;
  - less the number of fully paid ordinary shares cancelled in the relevant period.

Note that “A” has the same meaning in Listing Rule 7.1 (described above) when calculating the Company’s usual annual 15% placement capacity under that Listing Rule.

**D** = 10%

**E** = The number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under Listing Rule 7.4.

If the Company obtains the approval of its Shareholders to the Additional 10% Placement Capacity:

- (1) any Shares issued under that Additional 10% Placement Capacity will not be counted in variable “A” above until their issue has been ratified under Listing Rule 7.4 (described above) or 12 months has passed since their issue; and
- (2) any Shares issued under that Additional 10% Placement Capacity are counted in variable “E” above until their issue has been ratified under Listing Rule 7.4 (described above) or 12 months has passed since their issue.

If the Resolution is not passed, the Company will be limited to the 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period.

### 5.3 Placement capacity under Listing Rules 7.1 and 7.1A

The Additional 10% Placement Capacity is in addition to the Company's usual annual 15% placement capacity under Listing Rule 7.1 (described above).

As at the date of the Notice of Meeting, the Company has 1,693,964,068 Shares on issue and, therefore, in addition to any other Shares which it can issue under the permitted exceptions to Listing Rules 7.1 and 7.1A, it will have capacity to issue:

- (1) 254,094,610 Shares under Listing Rule 7.1; and
- (2) 169,396,406 Shares under Listing Rule 7.1A.

The actual number of Shares that the Company will have capacity to issue or agree to issue under Listing Rule 7.1A will be calculated at the relevant date in accordance with the Listing Rule 7.1A.2 Formula.

### 5.4 Period of Approval

Shareholder approval of the Additional 10% Placement Capacity is valid from, and therefore Equity Securities may be issued under the Additional 10% Placement Capacity from, the date of the Meeting until the first to occur of the following:

- (1) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained;
  - (2) the time and date of the Company's next Annual General Meeting; and
  - (3) the time and date of the approval by Shareholders of the Company's ordinary securities of a transaction under Listing Rule 11.1.2 (Proposed change to nature or scale of activities) or Listing Rule 11.2 (Change involving main undertaking),
- (the **Period of Approval**).

Upon the expiry of the Period of Approval, unless the Company has before the end of the Period of Approval obtained a further approval under Listing Rule 7.1A.1, its placement capacity will be governed by Listing Rule 7.1 (and Listing Rule 10.11, in the case of placements to related parties).

An approval under Resolution 5 will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 or 11.2 referred to above.

### 5.5 Minimum Issue Price

Under Listing Rule 7.1A.3, Equity Security issued must be in an existing quoted class and issued for cash consideration which is not less than 75% of the VWAP for securities in that class calculated over the 15 trading days on which trades were recorded immediately before:

- (1) the date on which the price at which the securities are to be issued is agreed by the Company and the recipient of the securities; or
- (2) if the securities are not issued within 10 trading days of that date in paragraph (1), the date on which the securities are issued.

### 5.6 Purpose and allocation

As at the date of the Notice of Meeting, the Company does not have any specific intention to use the Additional 10% Placement Capacity.

The Company is seeking approval to take advantage of the ASX's recognition that flexibility is sometimes required if action needs to be taken swiftly. The Additional 10% Placement Capacity may be used to raise funds to support the Company's ongoing business, continued product development for the Linus technology, sales and marketing, commercialization of the technology and general working capital purposes or for the acquisition of business opportunities which may arise.

Ultimately, if Resolution 5 is approved, the Company's allocation policy for issues of Equity Securities under the Additional 10% Placement Capacity will be dependent on various considerations including (but not limited to) the purpose of the

proposed issue, the alternative methods for raising funds that are available to the Company at the time, the effect of the proposed issue on the control of the Company, the circumstances of the Company and the prevailing market conditions at the time of the proposed issue. The identity of the placees will be determined on a case-by-case basis at or around the time of issue. However, the placees of any Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company. It is unlikely that such a placee will be a person to whom the Company is required to issue a prospectus or other disclosure document under the Corporations Act.

The Company may issue Equity Securities under the Additional 10% Placement Capacity for cash consideration only.

## 5.7 Risk of Economic and Voting Dilution

Any issue of Equity Securities under the Additional 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Equity Securities under the issue.

If Resolution 5 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the Additional 10% Placement Capacity, the economic and voting dilution of existing Shareholders through the Company using the Additional 10% Placement Capacity is as shown in the table below. The table has been prepared based on the number of quoted Shares on issue and the closing price of those quoted Shares as at close of trade on ASX on 22 October 2021.

Number of Shares on Issue (variable "A" in Listing Rule 7.1A.2)*	Dilution			
	Dilution based on number of Shares issued (being 10% of the number of Shares at the time of issue)	Funds raised based on an issue price of \$0.0115 (50% decrease in current issue price)	Funds raised based on an issue price of \$0.023 (Current issue price)	Funds raised based on an issue price of \$0.0345 (50% increase in current issue price)
1,693,964,068 (Current)	169,396,407	\$1,948,059	\$3,896,117	\$5,844,176
2,540,946,102 (50% increase)	254,094,610	\$2,922,088	\$5,844,176	\$8,766,264
3,387,928,136 (100% increase)	338,792,814	\$3,896,117	\$7,792,235	\$11,688,352

\*The number of Shares on issue could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or securities issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1 or 7.4.

The table above uses the following assumptions:

1. The current Shares on issue are the Shares on issue as at the date of the Notice of Meeting.
2. The current issue price set out above is the closing price of the Shares on ASX on 22 October 2021.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Annual General Meeting other than issues under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 or 7.4.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own Shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to issues under Listing Rule 7.1.
7. 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%.
8. The issue of Equity Securities under the Additional 10% Placement Capacity consists only of Shares.

Shareholders should note that there is a risk that:

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

## 5.8 Prior Issues of Equity Securities over last 12 months

The Company previously obtained approval under Listing Rule 7.1A at its annual general meeting held on 26 November 2020.

Listing Rule 7.3A.6 requires the Notice of Meeting (or this Explanatory Statement) to include details of the total number of Equity Securities issued by the Company in the 12 months preceding the date of the Meeting and the percentage they represent of the total number of Equity Securities on issue at the commencement of that 12 month period.

No Equity securities were issued under Listing Rule 7.1A approval.

## 5.9 Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5.

## 6. Ratification of prior issue of Shares – August 2021 placement (Resolution 6)

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### 6.1 Background

On 2 August 2021, the Company announced to ASX that it had completed a placement to raise \$4,000,000 by the issue of 200,000,000 Shares issued to sophisticated and professional investors none of whom are related parties of the Company, except for Mr Gerard Bongiorno and Mr John Wallace, Directors, approval for the issue of securities to whom is sought under Resolutions 7 and 8 respectively (**Placement**).

The Company issued the Shares within the 15% annual limit set out in Listing Rule 7.1 (described below). By issuing those Shares under the Placement, the Company's capacity to issue further equity securities without Shareholder approval within that limit was accordingly reduced.

Resolution 6 seeks Shareholder approval for the prior issue of the Shares to the placees noted below. It is proposed as an ordinary resolution and will be passed if more than 50% of the votes cast by Shareholders entitled to vote are in favour of the Resolution. Shareholders' attention is drawn to the voting exclusion statement in relation to Resolution 6 in the Notice.

### 6.2 Listing Rules 7.1 and 7.4

Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue or agree to issue more equity securities in any 12 month period other than the amount which is equal to 15% of its fully paid ordinary securities on issue at the start of that 12 month period (**15% share issue capacity**). Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 will be treated as having been made with shareholder approval for the purposes of those Listing Rules if shareholders subsequently ratify it and the issue did not breach Listing Rule 7.1.

Without Shareholder approval pursuant to Listing Rule 7.4, the issue will be counted towards the Company's 15% share issue capacity and will therefore reduce the Company's capacity to issue securities in the future without obtaining Shareholder approval.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

Accordingly, this Resolution seeks shareholder approval to under and for the purposes of Listing Rule 7.4, allowing the Company to substantially refresh its 15% share issue capacity.

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

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



### 6.3 Information required for Shareholder approval under Listing Rules

In accordance with Listing Rule 7.5, the following information is provided for Shareholders:

- (1) The placees were sophisticated and professional investors, including clients of the lead manager for the Placement, CC Equities Pty Limited (AFSL 241095), and existing shareholders of the Company.
- (2) 180,000,000 Shares were issued.
- (3) The Shares were issued on 11 August 2021.
- (4) The Shares were issued at \$0.02 per Share.
- (5) The Shares rank equally with all other Shares on issue in the Company.
- (6) The funds were raised to drive revenue growth for the Company's operations with specific focus on converting existing clients and near-term opportunities to immediate and sustainable revenues, using case studies of successful deployments to accelerate the near-term pipeline in the Education, Video Conference and Sport sectors, expanding direct sales, pre-sales and client management teams in Australia and the UK, investing in near-term marketing activity for its SaaS products, continued investment in the development of Linus Video Services (LVS) SaaS platform, along with Linus Whizzard and Sports sector products, strengthening Linus' integrations and partner relationships, and general working capital purposes.

### 6.4 Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6.

## 7. Approval for issue of Shares to Gerard Bongiorno and John Wallace – August 2021 placement (Resolutions 7 and 8)

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### 7.1 Background

As announced to ASX on 2 August 2021, Gerard Bongiorno and John Wallace, Directors, have agreed to subscribe for approximately \$200,000 worth of Shares each (being 10,000,000 Shares each) under the Placement, subject to the Company obtaining Shareholder approval for the issue of those Shares. Further details of the Placement are set out in Section 6.1 above.

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to certain categories of recipients, including a related party of the company and their associates, unless it obtains the approval of shareholders.

The proposed issues to Mr Bongiorno and Mr Wallace falls within Listing Rule 10.11.1 as they are each a related party of the Company and it does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 7 and 8 seek Shareholder approval pursuant to Listing Rule 10.11 for the issue of the Shares.

If the Resolutions are passed, the Company will be able to proceed with the issue of the Shares to Mr Bongiorno and Mr Wallace (and/or nominees). In addition, as Shareholder approval is not required under Listing Rule 7.1 where an approval is given under Listing Rule 10.11, the issue of the Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue.

If either or both of Resolutions 7 and 8 are not passed, the Company will not be able to proceed with the issue of the Shares to Mr Bongiorno and/or Mr Wallace (as the case may be) and accordingly they will not be required to subscribe for the Shares despite their commitment in connection with the Placement.

Resolutions 7 and 8 are ordinary resolutions.

## 7.2 Information required for Shareholder approval under Listing Rules

In accordance with Listing Rule 10.13, the following information is provided for Shareholders:

- (1) The recipients of the Shares are Gerard Bongiorno and John Wallace.
- (2) Listing Rule 10.11.1 applies as both recipients are a related party of the Company in their capacity as a Director.
- (3) The maximum number of Shares to be issued to Mr Bongiorno (and/or his nominees) is 10,000,000 Shares and to Mr Wallace is 10,000,000 Shares.
- (4) The Shares will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (5) The issue of the Shares will occur no later than one month after the date of the Meeting.
- (6) The Shares will be issued at an issue price of \$0.02 per Share, being the issue price under the Placement.
- (7) The funds raised from the issue of the Shares, being approximately \$400,000 in total, will be aggregated with and used for the same purpose as the funds raised from the Placement. See Section 6.3 above for further details.
- (8) The Shares are being issued in connection with the Placement and not under a separate agreement.
- (9) A voting exclusion statement is included in the Notice.

## 8 Adoption of Linius Employee Incentive Plan (Resolution 9)

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### 8.1 Background

Under Listing Rule 7.2 (Exception 13(b)), 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 if there is a material change to the terms of an approved employee incentive scheme.

The Company's previous employee incentive schemes have expired.

The Board has resolved, subject to Shareholder approval, to adopt a new, single employee incentive scheme to reflect recent sound corporate governance practices and streamline administrative requirements.

Details of the proposed new Linius Employee Incentive Plan are set out in Schedule 1 (**Plan**). A full copy of the Plan is available at the Company's registered office during normal business hours.

Shareholder approval is being sought under Resolution 9 to adopt the Plan.

The Board believes that the Plan is in the best interests of the Company, but does not make a recommendation as all Directors have material personal interest in the outcome of the Resolution. The Chair intends to vote undirected proxies in favour of the Resolution.

### 8.2 Listing Rule 7.2, exception 13(b)

Subject to a number of exceptions, in general terms, Listing Rule 7.1 limits the number of Equity Securities (for example, shares, options and convertible notes) that a listed company may issue or agree to issue without shareholder approval in any 12 month period to 15% of its issued ordinary shares (**15% share issue capacity**).

If this Resolution is approved by Shareholders for all purposes under the Listing Rules, including Listing Rule 7.2, exception 13(b), it will have the effect of enabling the securities issued by the Company under the Plan to be automatically excluded from the formula to calculate the Company's 15% share issue capacity during the next three year period.

If this Resolution is not approved by Shareholders, grants under the Plan will count towards the 15% share issue capacity. In addition, if Shareholder approval is not granted under this Resolution, the Board may need to consider alternative remuneration arrangements which are consistent with the Company's remuneration principles, including providing equivalent cash incentives subject to the risk of forfeiture, performance conditions and performance period.

Pursuant to the Listing Rules, Shareholders must re-approve the Plan and all unissued securities issuable pursuant thereto every three years.

Resolution 9 is an ordinary resolution.

### **8.3 Specific information required under Listing Rule 7.2, exception 13(b)**

In accordance with Listing Rule 7.2, exception 3(b) the following information is provided in relation to Resolution 6:

- (a) A summary of the Plan is set out in Schedule 1.
- (b) The Plan is a new incentive scheme and has not previously been approved by Shareholders. No securities have previously been issued under the Plan.
- (c) The maximum number of securities proposed to be issued under the Plan shall not exceed 15% of the Company's Equity Securities currently on issue, subject to adjustment in the event of a reorganisation of capital and further subject to applicable laws and the Listing Rules. Based on the number of Equity Securities currently on issue, 15% equates to a maximum of 254,094,610 Equity Securities.
- (d) A voting exclusion statement is included in the Notice.

## **9. Approval for issue of Remuneration Shares to John Wallace (Resolution 10)**

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### **9.1 Background**

John Wallace is a Non-Executive Director, joining the Company in December 2020.

As announced to ASX on 14 December 2020, in a sign of Mr Wallace's confidence in Linus and its vision, and his ability to contribute to its growth, he has agreed to be remunerated in equity rather than cash, subject to shareholder approval. Accordingly, the Company is proposing to grant Shares to Mr Wallace by way of remuneration, vesting over three years subject to Mr Wallace remaining in the role.

The purpose of the proposed grant is to remunerate Mr Wallace for his role as a Non-Executive Director and align his interests with those of the Company and its shareholders. The Board believes that the future success of the Company will depend in large measure on the skills and motivation of the people engaged in and overseeing the management of the Company's operations. It is therefore important that the Company is able to attract and retain people of the highest calibre, including at a Board level.

The Board considers that the most appropriate means of achieving this is to provide Directors and employees generally with an opportunity to participate in the Company's future growth and provide an incentive to contribute to that growth.

An issue of securities as part of the remuneration packages of company directors is a well-established practice of publicly listed companies and, in the case of the Company, has the benefit of conserving cash whilst properly rewarding the directors. The proposed issue of the Remuneration Shares in lieu of cash for remuneration is consistent with this principle.

In determining the number of securities proposed to be issued and their terms, consideration was given to the relevant experience and role of Mr Wallace and the market price of the Company's securities (the closing price of Linus shares on ASX on 11 December 2020 was 6.6 cents).

The Board is seeking Shareholder approval to grant the Remuneration Shares to Mr Wallace in accordance with the terms and conditions of the Plan broadly linking his remuneration with the performance of the Company.

The Company has considered the ASX Corporate Governance Principles and Recommendation guidelines for non-executive director remuneration, which notes that it is generally acceptable for non-executive directors to receive securities as part of their remuneration to align their interests with the interests of other shareholders. Further the Company believes the proposed issue of the Remuneration Shares to Mr Wallace will not impact his independent decision making and objectivity and that they will closely align his interests with that of the Company's shareholders in creating value.

The Board (excluding Mr Wallace who declines to make a recommendation based on his interest in the outcome of Resolution 10) recommends that Shareholders vote in favour of the grant of the securities.

## **9.2 Listing Rules**

Shareholder approval for the adoption of a new employee incentive plan for the Company is sought under Resolution 9. Details are set out in Section 8.

Listing Rule 10.14 requires that a listed company must not issue equity securities under an employee incentive scheme to:

- a director of the company
- an associate of a director of the company; or
- a person whose relationship with the company, director of the company or an associate of a director of the company is such that, in ASX's opinion, the issue should be approved by its shareholders,

without shareholder approval.

Resolution 10 seeks the required Shareholder approval for the issue of the securities to Mr Wallace under and for the purposes of Listing Rule 10.14.

If Resolution 10 is approved, the grant of the Remuneration Shares to Mr Wallace will not be included in calculating the Company's capacity to issue equity securities equivalent to 15% of the Company's ordinary securities, under Listing Rule 7.1.

If Shareholders do not approve the Resolution, the relevant grant will not proceed. In that circumstance, issues may arise with the competitiveness of Mr Wallace's remuneration package and alignment of rewards with the market generally. The Board would then need to consider alternative remuneration arrangements, including providing equivalent cash payments.

## **9.3 Corporations Act 2001**

Chapter 2E of the Corporations Act also requires Shareholder approval where a public company seeks to give a "financial benefit" to a "related party" (unless an exception applies). A "related party" for the purposes of the Corporations Act is defined widely. It includes a director of a public company and specified members of the director's family. It also includes an entity over which a director maintains control. Directors such as Mr Wallace are considered to be related parties within the meaning of the Corporations Act, and the securities will constitute a financial benefit for the purposes of Chapter 2E of the Corporations Act.

An exception to the requirement to obtain Shareholder approval in accordance with Chapter 2E applies where the financial benefit constitutes part of the related party's "reasonable remuneration". The Board (other than Mr Wallace who is not able to make a recommendation due to his interests in the grant of securities) considers that the grant of the Remuneration Shares to Mr Wallace constitutes part of the reasonable remuneration of Mr Wallace. In reaching this conclusion, the Board has had regard to a variety of factors including market practice and the remuneration offered to persons in comparable positions at comparable companies.

## **9.4 Specific information required under Listing Rule 10.15**

In accordance with Listing Rule 10.15 the following information is provided in relation to Resolution 10:

- (a) The proposed recipient of the securities is Mr Wallace.
- (b) The proposed issue of the securities falls within Listing Rule 10.14.1 or 10.14.2, as the proposed recipient is a Director or his nominee.

- (c) Up to 6,000,000 fully paid ordinary shares are proposed to be issued. One-third (ie 2,000,000) of the Remuneration Shares will be issued as soon as practicable after the Meeting, with the balance subject to vesting; namely a further one-third of the Shares to be issued on 14 December 2022 and the remaining one-third to be issued on 14 December 2023, in each case subject to Mr Wallace remaining in the role as a Director.

- (d) The current total remuneration package for Mr Wallace based on the value attributed to the Remuneration Shares and expensing the total security based remuneration over a 12 month period (for the financial year ending 30 June 2022) is outlined in the table below:

Director	Base Salary (\$)	2021/22 Securities-Based Remuneration (\$) <sup>(1)</sup>	Total (\$)
John Wallace	Nil	165,000	165,000

**Notes**

- (1) In accordance with applicable accounting standards, the total value of the Remuneration Shares will be expensed over their vesting period. These figures represent the dollar value of the maximum number of Remuneration Shares that may be issued and are based on the value attributed to the Remuneration Shares for the 2021/22 financial year only.

The value attributed to the Remuneration Shares is \$0.066 each (being the closing price of Linus shares on ASX on the last trading day prior to Mr Wallace's appointment). The total value attributable to the maximum number of Remuneration Shares that may be issued is \$396,000.

- (e) No securities have previously been issued under the Plan.
- (f) The Remuneration Shares will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (g) The Remuneration Shares will be issued within three years of the date of the Meeting, subject to vesting and in the amounts set out in paragraph (c) above.
- (h) The Remuneration Shares will be issued for nil consideration. No funds will be raised from the issues.
- (i) See Schedule 1 for a summary of the material terms of the Plan.
- (j) No loans will be made in connection with the issue of the securities.
- (k) Details of any securities issued under the Plan will be published in the Company's 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 Plan after the resolution is approved and who were not named in the Notice will not participate until approval is obtained under that rule.
- (l) A voting exclusion statement is included in the Notice.

## **10. Approval for issue of Remuneration Shares to James Brennan (Resolution 11)**

### **10.1 Background**

James Brennan has been appointed as the Managing Director and CEO of the Company.

As announced to ASX on 25 October 2021, Mr Brennan's remuneration package in the role includes a component of equity vesting over three years subject to continued service and achievement of certain specified performance targets.

The purpose of the proposed grant is to remunerate Mr Brennan for his role as a Managing Director and CEO and align his interests with those of the Company and its shareholders. The Board believes that the future success of the Company

will depend in large measure on the skills and motivation of the people engaged in and overseeing the management of the Company's operations. It is therefore important that the Company is able to attract and retain people of the highest calibre, including at a Board level.

The Board considers that the most appropriate means of achieving this is to provide Directors and employees generally with an opportunity to participate in the Company's future growth and provide an incentive to contribute to that growth.

An issue of securities as part of the remuneration packages of company directors is a well-established practice of publicly listed companies and, in the case of the Company, has the benefit of conserving cash whilst properly rewarding the directors. The proposed issue of the Remuneration Shares as part of a remuneration package is consistent with this principle.

In determining the number of securities proposed to be issued and their terms, consideration was given to the relevant experience and role of Mr Brennan and the market price of the Company's securities (the closing price of Linus shares on ASX on 22 October 2021 was 2.3 cents, being the last trading day prior to his appointment).

The Board is seeking Shareholder approval to grant the Remuneration Shares to Mr Brennan in accordance with the terms and conditions of the Plan broadly linking his remuneration with the performance of the Company.

The Board (excluding Mr Brennan who declines to make a recommendation based on his interest in the outcome of Resolution 11) recommends that Shareholders vote in favour of the grant of the securities.

## 10.2 Listing Rules

Shareholder approval for the adoption of a new employee incentive plan for the Company is sought under Resolution 9. Details are set out in Section 8.

Listing Rule 10.14 requires that a listed company must not issue equity securities under an employee incentive scheme to:

- a director of the company
- an associate of a director of the company; or
- a person whose relationship with the company, director of the company or an associate of a director of the company is such that, in ASX's opinion, the issue should be approved by its shareholders,

without shareholder approval.

Resolution 11 seeks the required Shareholder approval for the issue of the securities to Mr Brennan under and for the purposes of Listing Rule 10.14.

If Resolution 11 is approved, the grant of the Remuneration Shares to Mr Brennan will not be included in calculating the Company's capacity to issue equity securities equivalent to 15% of the Company's ordinary securities, under Listing Rule 7.1.

If Shareholders do not approve the Resolution, the relevant grant will not proceed. In that circumstance, issues may arise with the competitiveness of Mr Brennan's remuneration package and alignment of rewards with the market generally. The Board would then need to consider alternative remuneration arrangements, including providing equivalent cash payments.

## 10.3 Corporations Act 2001

Chapter 2E of the Corporations Act also requires Shareholder approval where a public company seeks to give a "financial benefit" to a "related party" (unless an exception applies). A "related party" for the purposes of the Corporations Act is defined widely. It includes a director of a public company and specified members of the director's family. It also includes an entity over which a director maintains control. Directors such as Mr Brennan are considered to be related parties within the meaning of the Corporations Act, and the securities will constitute a financial benefit for the purposes of Chapter 2E of the Corporations Act.

An exception to the requirement to obtain Shareholder approval in accordance with Chapter 2E applies where the financial benefit constitutes part of the related party's "reasonable remuneration". The Board (other than Mr Brennan who is not

able to make a recommendation due to his interests in the grant of securities) considers that the grant of the Remuneration Shares to Mr Brennan constitutes part of the reasonable remuneration of Mr Brennan. In reaching this conclusion, the Board has had regard to a variety of factors including market practice and the remuneration offered to persons in comparable positions at comparable companies.

#### 10.4 Specific information required under Listing Rule 10.15

In accordance with Listing Rule 10.15 the following information is provided in relation to Resolution 11:

- (a) The proposed recipient of the securities is Mr Brennan.
- (b) The proposed issue of the securities falls within Listing Rule 10.14.1 or 10.14.2, as the proposed recipient is a Director or his nominee.
- (c) Up to 40,000,000 fully paid ordinary shares are proposed to be issued.
- (d) The current total remuneration package for Mr Brennan based on the value attributed to the Remuneration Shares and expensing the total security based remuneration over a 12 month period (for the financial year ending 30 June 2022) is outlined in the table below:

Director	Base Salary (\$)	Superannuation (\$)	2021/22 Securities-Based Remuneration \$( <sup>(1)</sup> )	Total (\$)
James Brennan	330,000	23,568	138,000	491,568

#### Notes

- (1) In accordance with applicable accounting standards, the total value of the Remuneration Shares will be expensed over their vesting period. These figures represent the dollar value attributed to the Remuneration Shares for the 2021/22 financial year only and achievement of base-case budget scenario.

The value attributed to the Remuneration Shares is \$0.023 each (being the closing price of Linus shares on ASX on the last trading day prior to Mr Brennan's appointment). The total value attributable to the maximum number of Remuneration Shares that may be issued is \$920,000.

- (e) No securities have previously been issued under the Plan.
- (f) The Remuneration Shares will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (g) The Remuneration Shares will be issued within three years after the date of the Meeting, vesting subject to continued service and satisfaction of certain specified performance targets, details of which are set out in Schedule 2.
- (h) The Remuneration Shares will be issued for nil consideration. No funds will be raised from the issues.
- (i) See Schedule 1 for a summary of the material terms of the Plan.
- (j) No loans will be made in connection with the issue of the securities.
- (k) Details of any securities issued under the Plan will be published in the Company's 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 Plan after the resolution is approved and who were not named in the Notice will not participate until approval is obtained under that rule.

- (l) A voting exclusion statement is included in the Notice.

## **11. Amendments to Constitution (Resolution 12)**

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### **11.1 Background**

The Constitution was adopted at the 2019 annual general meeting of the Company held on 26 November 2019, replacing the Company's previous constitution.

The Company has recently undertaken a review of the Constitution and proposes a number of modifications to reflect certain changes to corporate governance practices, the Corporations Act and Listing Rules primarily to achieve efficient and flexible administration of the Company and relations with Shareholders, and to facilitate virtual general meetings.

Resolution 12 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).

### **11.2 Amendments**

It is not practicable to list all of the changes to the Constitution in this Explanatory Statement and Shareholders are invited to contact the Company if they have any queries or concerns. For this purpose, Shareholders wishing to obtain a copy of a marked up version of the proposed amended constitution should contact the Company.

The following is an overview of the proposed key amendments and a table itemising the provisions which are to be amended is set out in Schedule 3.

#### ***General Meetings***

A number of amendments are proposed to be made to facilitate the use of virtual meetings by the Company, with the law having recently changed to allow the use of virtual or hybrid meetings.

The changes include clarifying that Directors may determine that a meeting be held by means of virtual meeting technology or other communication facilities that gives the members as a whole a reasonable opportunity to participate and vote, and providing the Directors with additional powers to postpone, cancel or adjourn a meeting in particular circumstances (e.g. due to public health orders).

#### ***Direct Voting***

The changes will allow direct voting (whereby Shareholders may lodge a vote directly with the Company by way of post, fax or other electronic means, without having to attend a meeting or appoint a proxy or representative). Direct voting addresses deficiencies in existing voting procedures by facilitating greater voting participation and minimises the potential risks of a proxy vote not being cast. To facilitate the direct voting arrangements, the Directors will be authorised to prescribe rules governing direct voting.

### **11.3 Board recommendation**

The Board unanimously recommends that shareholders vote in favour of this special resolution.



## Definitions

Unless the context requires otherwise, the terms below have the following meanings in the Notice and Explanatory Statement:

**Annual General Meeting or Meeting** means the annual general meeting of the Company convened by the Notice of Meeting and any adjournment or postponement of it.

**ASX** means Australian Securities Exchange.

**Board** means the board of Directors.

**Company** means Linus Technologies Limited ACN 149 796 332.

**Constitution** means the constitution of the Company.

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

**Director or Directors** means a director or the directors of the Company from time to time.

**Explanatory Statement** means this Explanatory Statement accompanying the Notice.

**Listing Rules** means ASX Listing Rules.

**Notice or Notice of Meeting** means this document which comprises the Company's Notice of Annual General Meeting and the accompanying Explanatory Statement.

**Placement** has the meaning given to that term in Section 6.1.

**Plan** has the meaning in Section 8.1.

**Remuneration Shares** means Shares issued as part of a person's remuneration from the Company.

**Resolutions** means the resolutions set out in the Notice of Meeting.

**Schedule** means schedule to this Explanatory Statement,

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

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

A reference to time in the Notice and Explanatory Statement is to Melbourne time.

**SCHEDULE 1**  
**Summary of Linus Employee Incentive Plan**

**1. Eligible Participant**

**Eligible Participant** means a person who is a full-time or part-time employee, officer, or contractor of the Company, or an Associated Body Corporate (as defined in ASIC Class Order 14/1000), or such other person who has been determined by the Board to be eligible to participate in the Plan from time to time.

The Company will seek Shareholder approval for Director and related party participation in accordance with ASX Listing Rule 10.14.

**2. Purpose**

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Participants;
- (b) link the reward of Eligible Participants to Shareholder value creation; and
- (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

**3. Plan administration**

The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

**4. Eligibility, invitation and application**

The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.

If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

**5. Grant of Securities**

The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.

**6. Terms of Convertible Securities**

Each "Convertible Security" represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

## **7. Vesting of Convertible Securities**

Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

## **8. Exercise of Convertible Securities and cashless exercise**

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

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

## **9. Delivery of Shares on exercise of Convertible Securities**

As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

## **10. Forfeiture of Convertible Securities**

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

Where the Board determines that a Participant has acted fraudulently or dishonestly; committed an act which has brought the Company, the Group or any entity within the Group into disrepute, or wilfully breached his or her duties to the Group or where a Participant is convicted of an offence in connection with the affairs of the Group; or has a judgment entered against him or her in any civil proceedings in respect of the contravention by the Participant of his or her duties at law, in equity or under statute, in his or her capacity as an employee, consultant or officer of the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

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

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation or vesting notice.

## 11. Change of control

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event provided that, in respect of Convertible Securities, the maximum number of Convertible Securities (that have not yet been exercised) that the Board may determine will vest and be exercisable into Shares under this Rule is that number of Convertible Securities that is equal to 10% of the Shares on issue immediately following vesting under this Rule, which as far as practicable will be allocated between holders on a pro-rata basis on the basis of their holdings of Convertible Securities on the date of determination of vesting.

## 12. Rights attaching to Plan Shares

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

## 13. Disposal restrictions on Plan Shares

If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
- (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

## 14. Adjustment of Convertible Securities

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

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

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

## 15. Participation in new issues

There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

## 16. Compliance with applicable law

No Security may be offered, grated, vested or exercised if to do so would contravene any applicable law. In particular, the Company must have reasonable grounds to believe, when making an invitation, that the total number of Plan Shares that may be issued upon exercise of Convertible Securities offer when aggregated with

the number of Shares issued or that may be issued as a result of offers made at any time during the previous three year period under:

- (a) an employee incentive scheme of the Company covered by ASIC Class Order 14/1000; or
  - (b) an ASIC exempt arrangement of a similar kind to an employee incentive scheme,
- but disregarding any offer made or securities issued in the capital of the Company by way of or as a result of:
- (c) an offer to a person situated at the time of receipt of the offer outside Australia;
  - (d) an offer that did not need disclosure to investors because of section 708 of the Corporations Act (exempts the requirement for a disclosure document for the issue of securities in certain circumstances to investors who are deemed to have sufficient investment knowledge to make informed decisions, including professional investors, sophisticated investors and senior managers of the Company); or
  - (e) an offer made under a disclosure document,

would exceed 5% (or such other maximum permitted under any applicable law) of the total number of Shares on issue at the date of the invitation.

#### **17. Maximum number of Securities**

The Company will not make an invitation under the Plan if the number of Plan Shares that may be issued, or acquired upon exercise of Convertible Securities offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan, will exceed 15% of the total number of issued Shares at the date of the invitation.

#### **18. Amendment of Plan**

Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

#### **19. Plan duration**

The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

#### **20. Income Tax Assessment Act**

The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies (subject to the conditions in that Act).

## SCHEDULE 2

### Summary of Vesting Conditions of Remuneration Shares for James Brennan

#### Service-based vesting

3,000,000 Shares if Mr Brennan remains an employee of the Company up to 30 June 2022.

#### Revenue-based vesting

The number of Shares set out below, being incremental amounts dependent upon the vesting condition level achieved

Year	No. Shares	Vesting Condition <sup>(1)</sup>
2021/22	3,000,000	The Company achieves during the 2021/2022 financial year <sup>(2)</sup> aggregate gross revenue <sup>(3)</sup> of at least \$2.3 million
	4,000,000 (total 7 million)	The Company achieves during the 2021/2022 financial year aggregate gross revenue of \$3 million or more
2022/23	2,000,000	The Company achieves during the 2022/2023 financial year aggregate gross revenue of at least 70% of the budgeted gross revenue for that year <sup>(4)</sup>
	4,000,000 (total 6 million)	The Company achieves during the 2022/2023 financial year aggregate gross revenue of at least 100% of the budgeted gross revenue for that year
	4,000,000 (total 10 million)	The Company achieves during the 2022/2023 financial year aggregate gross revenue of 130% or more of the budgeted gross revenue for that year
2023/24	2,000,000	The Company achieves during the 2023/2024 financial year aggregate gross revenue of at least 70% of the budgeted gross revenue for that year <sup>(5)</sup>
	4,000,000 (total 6 million)	The Company achieves during the 2023/2024 financial year aggregate gross revenue of at least 100% of the budgeted gross revenue for that year
	14,000,000 (total 20 million)	The Company achieves during the 2023/2024 financial year aggregate gross revenue of 182% or more of the budgeted gross revenue for that year

#### Notes:

- (1) Vesting conditions may be achieved at any time during the relevant financial year and Shares will be issued within 28 days of confirmation of achievement to the reasonable satisfaction of the Board. In all cases, vesting is also subject to the Executive remaining an employee of the Company up to the date of achievement of the relevant vesting condition.
- (2) **Financial year** means 1 July to 30 June.
- (3) **Gross revenue** means actual cash receipts from Group operations, exclusive of any research and development or other grant revenue, recognised in Australian dollars in the consolidated accounts of the Group, and subject to achievement of a minimum gross profit margin (expressed as a percentage of Gross Revenue) of 85%.
- (4) Budgeted gross revenue for 2022/23 to be determined and approved by the Board, however for guidance only is currently approved at \$13.2 million.
- (5) Budgeted gross revenue for 2023/24 to be determined and approved by the Board, however for guidance only is currently approved at \$27.4 million.

**SCHEDULE 3**  
**Proposed amendments to the Constitution**

Section	Changes
<b>Article 5</b> <b>Proceedings of Members</b>	<p>A new paragraph (e) is added to Article 5.1 as follows:</p> <p><i>The Directors may determine that a meeting be held, with or without a physical venue, by means of Virtual Meeting Technology or other communication facilities permitted by the Corporations Act that gives the Members as a whole a reasonable opportunity to participate and for this purpose, subject to the Corporations Act and Listing Rules, an Instantaneous Communication Device used to facilitate a meeting constitutes a place, venue or format (as applicable).</i></p>
	<p>Article 5.5(a) is amended by replacing “technology” with “Virtual Meeting Technology” and deleting “on a show of hands and on a poll”.</p>
	<p>Article 5.11(e) is deleted and replaced with:</p> <p><i>Subject to this Article 5.11, the Directors may at any time change the venue for, postpone or cancel a meeting of Members, or change the means by which the meeting is to be held by giving notice to ASX.</i></p>
	<p>Article 5.11(h) is deleted and replaced with:</p> <p><i>A notice under Article 5.11(c) of a meeting of Members resumed from an adjourned meeting and a notice postponing a meeting of Members must set out the place, date, time and any Virtual Meeting Technology to be used for the revised meeting.</i></p>
	<p>A new sub-paragraph (ii) is inserted into Article 5.14(a) as follows:</p> <p><i>by direct vote in accordance with Article 5.15;</i></p>
	<p>A new Article 5.15 is added as follows:</p> <p><b>Direct voting</b></p> <p>(a) <i>The Directors may permit direct voting on resolutions proposed at a general meeting by allowing Members entitled to vote on the resolution to cast their vote without being present (whether in person or by proxy or other representative) at the meeting.</i></p> <p>(b) <i>The Directors may determine the regulations, rules and procedures for direct voting, including the form, method and timing of giving a direct vote at a meeting in order for the vote to be valid.</i></p> <p>(c) <i>Subject to Articles 5.15(d) and (e), where notice of a general meeting specifies that direct voting on a resolution proposed for consideration at the meeting is permitted by Members or particular Members, a direct vote cast by or on behalf of such a Member in accordance with the regulations, rules and procedures for direct voting determined by the Directors (whether set out in the notice of meeting or otherwise) is taken to have been validly cast by that Member at the meeting.</i></p> <p>(d) <i>A direct vote cast by or on behalf of a Member on a resolution proposed at a general meeting is of no effect and will be disregarded if the Member is not entitled to vote on the resolution at the meeting or, had the vote been cast by or on behalf of the Member at the meeting, the Company would be required to disregard the vote.</i></p>

	<p>(e) <i>Subject to the regulations, rules or procedures for direct voting determined by the Directors, if a direct vote is cast by or on behalf of a Member on a resolution proposed for consideration at a general meeting and a vote is also cast on the resolution by the Member or the Member's proxy or other representative present at the meeting, the Company may:</i></p> <p>(i) <i>regard the direct vote as valid and effective and disregard the vote cast at the meeting; or</i></p> <p>(ii) <i>disregard the direct vote and regard the vote cast at the meeting as valid and effective.</i></p>
<p><b>Schedule 1</b></p> <p><b>Definitions and Interpretation</b></p>	<p>The following new definitions are added in section 1 of Schedule 1:</p> <p><b><i>Instantaneous Communication Device</i></b> means telephone, television, fax, electronic mail, videoconference or any other audio, visual or data device which enables instantaneous communication.</p> <p><b><i>Virtual Meeting Technology</i></b> means any technology that allows a person to participate in a meeting without being physically present at the meeting.</p>





## LODGE YOUR PROXY APPOINTMENT ONLINE



### ONLINE PROXY APPOINTMENT

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



### MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

**Important Note:** Due to the ongoing COVID-19 pandemic and uncertainty regarding the level of travel restrictions around the time of the meeting, the Company has determined that Shareholders will only be able to attend and participate in the meeting through an online platform provided by Advanced Share Registry.

## 2021 ANNUAL GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Linus Technologies Limited and entitled to attend and vote hereby:

### APPOINT A PROXY

☐ The Chair of the Meeting

OR

**PLEASE NOTE:** If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held **virtually on 30 November 2021 at 9.00am (AEDT)** and at any adjournment or postponement of that Meeting.

**Chair's voting intentions in relation to undirected proxies:** The Chair intends to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances, the Chair may change his/her voting intentions on any Resolution. In the event this occurs, an ASX announcement will be made immediately disclosing the reasons for the change.

**Chair authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 9, 10 & 11 (except where I/we have indicated a different voting intention below) even though these resolutions are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair.

### VOTING DIRECTIONS

Resolutions	For	Against	Abstain*
1 Adoption of the Remuneration Report for the year ended 30 June 2021 (Advisory resolution only)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Gerard Bongiorno	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Director – John Wallace	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Election of Director – James Brennan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval for additional 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Ratification of prior issue of Shares – August 2021 placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval for the issue of Shares to Gerard Bongiorno – August 2021 placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval for the issue of Shares to John Wallace – August 2021 placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Adoption of Linus Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 Approval for the issue of Remuneration Shares to John Wallace	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 Approval for the issue of Remuneration Shares to James Brennan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12 Amendments to Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address

☐ Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.

## LINIUS TECHNOLOGIES LIMITED - ANNUAL GENERAL MEETING

Due to the ongoing COVID-19 pandemic and uncertainty regarding the level of travel restrictions around the time of the meeting, the Company has determined that Shareholders will only be able to attend and participate in the Meeting through an online platform provided by Advanced Share Registry.

To facilitate such participation, voting on each Resolution will occur by a poll rather than a show of hands.

A live webcast and electronic voting via [www.advancedshare.com.au/virtual-meeting](http://www.advancedshare.com.au/virtual-meeting) will be offered to allow Shareholders to attend the Meeting and vote online.

Please refer to the Meeting ID and Shareholder ID on the proxy form to login to the website.

Shareholders may submit questions ahead of the Meeting via the portal.

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

### APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

### DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

### VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

### PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolutions 1, 9, 10 & 11, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolutions 1, 9, 10 & 11.

**PLEASE NOTE:** If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each Proxy Form state the percentage of your voting rights or number of shares 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; and
- return both forms together.

### COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

### CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

### SIGNING INSTRUCTIONS ON THE PROXY FORM

#### Individual:

Where the holding is in one name, the security holder must sign.

#### Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

#### Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

#### Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

### LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 9.00am (AEDT) on 28 November 2021, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.



#### ONLINE PROXY APPOINTMENT

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



#### BY MAIL

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009; or  
PO Box 1156, Nedlands WA 6909



#### BY FAX

+61 8 6370 4203



#### BY EMAIL

[admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)



#### IN PERSON

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009



#### ALL ENQUIRIES TO

Telephone: +61 8 9389 8033