

Eastern Resources Limited  
ACN 126 678 037

## **Notice of Annual General Meeting**

Notice is given that the Meeting will be held at:

Time: 4:00pm (Sydney time)

Date: 21 November 2023

Place: Level 40  
2 Park Street  
Sydney NSW 2000

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm (Sydney time) on 19 November 2023.

## Business of the Meeting

### Agenda

#### 1. Financial Statements and Reports

To table and consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2023, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report.

#### 2. Resolution 1 – Adoption of Remuneration Report

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

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Annual Report for the financial year ended 30 June 2023.”*

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

##### **Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

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

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

#### 3. Resolution 2 – Re-election of Director – Jason Hou

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

*“That, for the purposes of ASX Listing Rule 14.4 and clause 14.3 of the Constitution, and for all other purposes, Mr Jason Hou, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

#### 4. Resolution 3 - Election of Director – Mark Calderwood

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

*“That, for the purposes of clause 14.4 of the Constitution, and for all other purposes, Mr Mark Calderwood, who was appointed a Director on 12 January 2023 to fill a casual vacancy, retires, and being eligible, is elected as a Director.”*

#### 5. Resolution 4 – Approval to issue Performance Rights to Director – Myles Fang

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

*“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of 9,000,000 Performance Rights to Myles Fang (or his nominee/s), on the terms and conditions set out in the Explanatory Statement”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Myles Fang (or his nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any associates of those persons.

**Voting Prohibition Statement:** In accordance with section 224 of the Corporations Act, a vote on this Resolution may not be cast (in any capacity) by or on behalf of a related party of the company to whom the Resolution would permit a financial benefit be given or any of their associates (**Restricted Party**). However, a Restricted Party may cast a vote on the Resolution as a proxy if they are appointed as a proxy by writing that specifies the way the proxy is to vote and the vote is not cast on behalf of any Restricted Party.

In addition, in accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, provided the Chair is not a Restricted Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

## 6. Resolution 5 – Approval to issue Performance Rights to Director - Ariel Edward King

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

*“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of 9,000,000 Performance Rights to Ariel Edward King (or his nominee/s), on the terms and conditions set out in the Explanatory Statement”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Ariel Edward King (or his nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any associates of those persons.

**Voting Prohibition Statement:** In accordance with section 224 of the Corporations Act, a vote on this Resolution may not be cast (in any capacity) by or on behalf of a related party of the company to whom the Resolution would permit a financial benefit be given or any of their associates (**Restricted Party**). However, a Restricted Party may cast a vote on the Resolution as a proxy if they are appointed as a proxy by writing that specifies the way the proxy is to vote and the vote is not cast on behalf of any Restricted Party.

In addition, in accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, provided the Chair is not a Restricted Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

## 7. Resolution 6 – Approval to issue Performance Rights to Director – Jason Hou

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

*“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of 9,000,000 Performance Rights to Jason Hou (or his nominee/s), on the terms and conditions set out in the Explanatory Statement”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Jason Hou (or his nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any associates of those persons.

**Voting Prohibition Statement:** In accordance with section 224 of the Corporations Act, a vote on this Resolution may not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit be given or any of their associates (**Restricted Party**). However, a Restricted Party may cast a vote on the Resolution

as a proxy if they are appointed as a proxy by writing that specifies the way the proxy is to vote and the vote is not cast on behalf of any Restricted Party.

In addition, in accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, provided the Chair is not a Restricted Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

## 8. Resolution 7 – Approval to issue Performance Rights to Director – Mark Calderwood

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

*“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of 9,000,000 Performance Rights to Mark Calderwood (or his nominee/s), on the terms and conditions set out in the Explanatory Statement”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mark Calderwood (or his nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any associates of those persons.

**Voting Prohibition Statement:** In accordance with section 224 of the Corporations Act, a vote on this Resolution may not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit be given or any of their associates (**Restricted Party**). However, a Restricted Party may cast a vote on the Resolution as a proxy if they are appointed as a proxy by writing that specifies the way the proxy is to vote and the vote is not cast on behalf of any Restricted Party.

In addition, in accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, provided the Chair is not a Restricted Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.


## 9. Resolution 8 – Approval of 10% Additional Issuance Capacity

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, approval is given for the Company to issue Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”*

**Dated: 20 October 2023**

**By order of the Board**



**Heath Roberts**  
**Company Secretary**

## **Voting Exclusion Statements**

Each Voting Exclusion Statement that applies to a Resolution as noted in the Agenda, does not apply to a vote cast in favour of that Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) provided the Chair is not a Restricted Party in respect of the relevant Resolution (refer to Resolutions 4, 5, 6 and 7), the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Voting in person**

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

## **Voting by proxy**

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

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

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

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

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

**Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 2 9906 7551.**

## Explanatory Statement

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

### 1. Annual Report

The Corporations Act requires that the reports of the Directors, Auditor and the financial statements of the Company (collectively the **Annual Report**) be laid before shareholders at the Annual General Meeting. The Corporations Act does not require a vote of shareholders on these reports or statements.

The 2023 Annual Report was released to the ASX on 26 September 2023. As a result of legislative changes, the 2023 Annual Report has not been automatically mailed to all shareholders. The 2023 Annual Report can be accessed on the Company's website at [www.easternresources.com.au](http://www.easternresources.com.au). Alternatively, printed copies can be supplied to shareholders on request.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions of the Board in relation to the Annual Report and the management of the Company. Shareholders will also be given reasonable opportunity to ask the Auditor questions relevant to the conduct of the audit, the preparation and content of the Independent Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of its financial statements and the independence of the Auditor in relation to the conduct of the audit.

### 2. Resolution 1 – Adoption of Remuneration Report

#### 2.1 General

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

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

The vote on Resolution 1 is advisory only and does not bind the Company or its Directors. However, the Board will actively consider the outcome of the vote and comments made by Shareholders on the Remuneration Report when reviewing the Company's future remuneration policies and practices.

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

### **2.3 Previous voting results**

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

## **3. Resolution 2 - Re-election of Director – Jason Hou**

### **3.1 General**

ASX Listing Rule 14.4 require that a director (other than a managing director) of a listed company not hold office without re-election for longer than 3 years or the third annual general meeting after their appointment, whichever is longer. ASX Listing Rule 14.5 requires that an election of directors be held at each annual general meeting. Clause 14.3 of the Constitution sets out that where no director is required to retire by rotation and seek re-election because of the term limit imposed by Listing Rule 14.4, and no other person is standing for election, then the director (other than the managing director) who has held office the longest is required to stand for re-election.

Mr Jason Hou, first appointed as a director in September 2021, has been in office the longest since re-election, having last been elected at the 2021 Annual General Meeting. Mr Hou accordingly retires by rotation in accordance with the Constitution, and, being eligible, seeks re-election from Shareholders.

### **3.2 Qualifications and other material directorships**

Mr Hou has a professional background in finance and accounting sectors. He has extensive experience and connections in Australia and China and has been involved in numerous M&A transactions for listed and private companies with a focus on restructuring and capital sourcing on inward China and Hong Kong based investment in the resources sector. Mr Hou was one of the co-founders of Bligh Resources Limited. Mr Hou also played a leading role in the A\$110 million listing of Stonewall Resources Limited on the ASX.

### **3.3 Independence**

Mr Hou is an independent non executive director.

### **3.4 Board recommendation**

The Board supports the election of Mr Hou and recommends that Shareholders vote in favour of Resolution 2.

## **4. Resolution 3 – Election of Director – Mark Calderwood**

### **4.1 General**

ASX Listing Rule 14.4 require that a director (other than a managing director) of a listed company not hold office without re-election for longer than 3 years or the third annual general meeting after their appointment, whichever is longer. ASX Listing Rule 14.5 requires that an election of directors be held at each annual general meeting. Clause 14.4 of the Constitution sets out that where a director is appointed to fill a vacancy or as an additional director holds office only until the next following annual general meeting and is then eligible for re-election.

Mr Mark Calderwood, first appointed as a director in January 2023 accordingly retires in accordance with the Constitution, and, being eligible, seeks election from Shareholders.

### **4.2 Qualifications and other material directorships**

Mr Calderwood is a highly experienced resources executive with more than 30 years' experience in exploration and production. He is the former Managing Director and CEO of Perseus Mining where he led Perseus from a micro-cap explorer to and ASX100 company with a market capitalisation of \$1.6 billion.

He has significant experience with LCT pegmatites, lithium exploration and mine development. He oversaw the discovery and development of the Bald Hill lithium mine in Western Australia and is a co-author of a guidebook to the pegmatites of Western Australia.

### **4.3 Independence**

Mr Calderwood was previously engaged as a consultant to the Company and is a non independent non executive director.

### **4.4 Board recommendation**

The Board supports the election of Mr Calderwood and recommends that Shareholders vote in favour of Resolution 3.

## **5. Resolutions 4 to 7 – Issue of Performance Rights to Directors**

### **5.1 General**

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 36,000,000 Performance Rights to Messrs Fang, King, Hou and Calderwood (or their respective nominees) on the terms and conditions set out below (**Performance Rights**).

The terms of the Performance Rights are set out in Schedule 1. The vesting hurdle for the Performance Rights will be the Company's Share price achieving or exceeding a 20 day volume weighted average price (**20 day VWAP**) of \$0.014. The terms of the Performance Rights conform to the requirements for such securities in ASX Listing Rules Guidance Note 19.

Resolutions 4 to 7 seek Shareholder approval for the issue of these equity incentives to the Directors or their respective nominees.

Resolutions 4 to 7 are ordinary resolutions.

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

Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

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

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

The issue of the Performance Rights constitutes giving a financial benefit. Each of Messrs Fang, King, Hou and Calderwood is a related party of the Company by reason of being a Director.

Section 211 of the Corporations Act provides that shareholder approval under section 208 is not required if the financial benefit to be provided to the related party is remuneration as an officer or employee of the company and to give remuneration would be reasonable given the circumstances of the company giving the remuneration and the related party's circumstances (including responsibilities involved in the office or employment).

Section 195 of the Corporations Act provides that a director of a public company must not vote or be present during meetings of directors when matters in which that director holds a 'material personal interest' are being considered. The Directors do not have a material personal interest in these Resolutions other than the Resolution to issue Performance Rights to himself or herself. However, in the interests of good corporate practice consistent with ASIC Regulatory Guide 76 (Table 2) for directors to avoid making a recommendation for resolutions about each other's remuneration as they may have a conflict of interest) the Directors have not considered whether an exception set out in sections 210 to 216 of the Corporations Act applies to these Resolutions. Therefore, the Board has determined in accordance with section 195(4) of the Corporations Act to seek Shareholder approval for the issue of the Performance Rights.



### **5.3 ASX Listing Rule 10.11**

ASX Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, an entity must not issue, or agree to issue, equity securities to:

- (a) a related party;
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the entity;
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holding in the entity and who has nominated a director to the board pursuant to a relevant agreement which gives them the right or expectation to do so;
- (d) an associate of a person referred to in paragraphs (a), (b), or (c) above; or
- (e) a person whose relationship with the entity or a person referred to in any of paragraphs (a) to (d) above is such that, in ASX's opinion the issue or agreement should be approved by securityholders,

unless it obtains the approval of its ordinary security holders.

It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

The Company therefore seeks the required Shareholder approval for the issue of the Performance Rights, under and for the purposes of Listing Rule 10.11.

There is a separate Resolution in respect of the issue of Performance Rights to each individual Director.

### **5.4 ASX Listing Rule 7.1**

A summary of Listing Rule 7.1 is set out in Section 4.4. Under Listing Rule 7.2 exception 14 an issue of equity securities with approval under Listing Rule 10.11 is an exception from Listing Rule 7.1.

### **5.5 Effect of the Resolutions**

If any or all of Resolutions 4, 5, 6 and 7 are passed, then the Company will be able to proceed with the issue of Performance Rights to the Director the subject of each of the Resolutions that is passed.

If any or all of those Resolutions is not passed, then the Company will not be able to proceed with the issue of Performance Rights to the Director the subject of each Resolution that is not passed. The Company may have to consider alternative methods of providing incentivisation or remuneration to the relevant Director(s) to whom Performance Rights cannot be granted, which may take the form of cash-based payments, which would potentially reduce the Company's cash reserves.

Resolutions 4 to 7 inclusive are ordinary resolutions. The Resolutions are not inter-conditional.

### **5.6 Board Recommendation**

Given either the material personal interest of a Director in the Resolution expressly relevant to them and in the interests of good corporate practice consistent with ASIC Regulatory Guide 76 (Table 2) for directors to avoid making a recommendation for resolutions about each other's remuneration as they may constitute a conflict of interest), the Directors do not consider it appropriate to give a recommendation on any of Resolutions 4 to 7.

### **5.7 Technical information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of the Performance Rights the subject of Resolutions 4 to 7:

- (a) the Performance Rights will be issued to each of the following Directors:
  - (i) Myles Fang (or his nominee(s)) (Resolution 4);
  - (ii) Ariel Edward King (or his nominee(s)) (Resolution 5);

- (iii) Jason Hou (or his nominee(s)) (Resolution 6); and
  - (iv) Mark Calderwood (or his nominee(s)) (Resolution 7):
- (b) each of Myles Fang, Ariel Edward King, Jason Hou and Mark Calderwood is a Director of the Company and as a result a Related Party who falls within ASX Listing Rule 10.11.1;
- (c) the maximum number of Performance Rights to be issued to be issued to each Director (or his nominee(s)) is as follows:
- (i) Myles Fang (or his nominee(s)): 9,000,000 Performance Rights (Resolution 4);
  - (ii) Ariel Edward King (or his nominee(s)): 9,000,000 Performance Rights (Resolution 5);
  - (iii) Jason Hou (or his nominee(s)): 9,000,000 Performance Rights (Resolution 6); and
  - (iv) Mark Calderwood (or his nominee(s)): 9,000,000 Performance Rights (Resolution 7);
- (d) the Performance Rights will be convertible into one (1) Share each upon the 20 day volume weighted average price of the Company's Shares being at least \$0.014, and will expire three (3) years after the date of their issue, and will be issued on the terms and conditions set out in Schedule 1;
- (e) the Performance Rights will be issued as soon as practicable after the date of the Meeting, and in any case no later than one (1) month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules), and it is intended that the Performance Rights will all be granted on the same date;
- (f) the Performance Rights will be issued for nil cash consideration. Accordingly, no funds will be raised from the issue of the Performance Rights as the purpose of the issue is to provide an equity incentive as part of the remuneration package for each of the Directors;
- (g) the current total annual remuneration package of each of the Directors (before the issue of the Performance Rights the subject of Resolutions 4 to 7) is as follows:

- (i) Myles Fang

<b>Salary and Fees</b>	
Salary	\$330,000 per annum
<b>Total</b>	<b>\$330,000</b>
<b>Performance Rights</b>	
<i>(subject to Shareholder approval of Resolution 4)</i>	9,000,000 Performance Rights <i>Refer to the valuation of these Performance Rights at Section 5.8(d) below</i>

- (ii) Ariel Edward King

<b>Salary and Fees</b>	
Salary	\$72,000 per annum
Consulting Fees	\$24,000 per annum
<b>Total</b>	<b>\$96,000 per annum</b>
<b>Performance Rights</b>	
<i>(subject to Shareholder approval of Resolution 5)</i>	9,000,000 Performance Rights <i>Refer to the valuation of these Performance Rights at Section 5.8(d) below</i>

- (iii) Jason Hou

<b>Salary and Fees</b>	
Salary	\$72,000 per annum
Consulting Fees	Nil
<b>Total</b>	<b>\$72,000</b>
<b>Performance Rights</b>	

<i>(subject to Shareholder approval of Resolution 6)</i>	9,000,000 Performance Rights <i>Refer to the valuation of these Performance Rights at Section 5.8(d) below</i>
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(iv) Mark Calderwood

<b>Salary and Fees</b>	
Salary	\$72,000 per annum
Consulting Fees	Nil
<b>Total</b>	<b>\$72,000</b>
<b>Performance Rights</b>	
<i>(subject to Shareholder approval of Resolution 7)</i>	9,000,000 Performance Rights <i>Refer to the valuation of these Performance Rights at Section 5.8(d) below</i>

## 5.8 Technical information required by Chapter 2E of the Corporations Act

Pursuant to and in accordance with section 219 of the Corporations Act, the following information (in addition to the information provided in Section 10.7) is provided in relation to the issue of the Performance Rights the subject of Resolutions 4 to 7

- the Performance Rights will be issued to each of the Directors specified in Section 5.7(a);
- the nature of the financial benefit being provided is the Performance Rights. The quantity and terms of the Performance Rights are set out in Sections 5.7(c) and 5.7(d);
- each Director's interests in the Resolutions and the reasons for not giving a recommendation on these Resolutions is set out in Section 5.6;
- the value of the Performance Rights is set out in the table below. The valuation has been completed by an internal management using a Black-Scholes model valuation and based on the assumptions set out below.

<b>Assumption</b>	
Valuation Date	5 October 2023
Underlying security spot price	\$0.009 per share
Exercise price	Nil
Term (Years)	3
Risk free interest rate	4.10%
Dividend yield:	Nil
Volatility (expected)	45.35%
Indicative Value (\$) (per Performance Right)	\$0.009
Quantity	36,000,000
<b>Value (\$) (Total)</b>	<b>\$324,000</b>
<b>Value (\$) (per Director)</b>	
Myles Fang	\$81,000
Ariel Edward King	\$81,000
Jason Hou	\$81,000
Mark Calderwood	\$81,000

- the relevant interests in securities of the Company of the Directors are set out below:

Director	Shares	Options	Performance Rights
Myles Fang <sup>1</sup>	13,762,916	0	5,000,000
Ariel Edward King <sup>2</sup>	6,300,000	0	5,000,000
Jason Hou <sup>3</sup>	7,000,000	0	5,000,000
Mark Calderwood <sup>4</sup>	17,879,032	0	1,000,000

1. Securities held by Myles Fang:
    - 96,250 Shares registered holder Myles Fang; 13,666,666 Shares: registered holder, Fundmax Pty Ltd, an entity which Mr Fang controls, 5,000,000 performance rights
  2. Securities held by Ariel Edward King:
    - 2,100,000 Shares: registered holder La Paz Resources Pty Ltd; 4,200,000 Shares: registered holder King Corporate Pty Ltd, both being entities which Mr King controls, 5,000,000 performance rights
  3. Securities held by Jason Hou:
    - 7,000,000 Shares: registered holder Next Street Pty Ltd <ATF Jism Family Trust>, 5,000,000 performance rights
  4. Securities held by Mark Calderwood
    - 550,000 Shares: registered holder Mark Calderwood; 16,329,032 Shares: registered holder Amery Holdings Pty Ltd (Director), 1,000,000 Shares: registered holder Amery Holdings Pty Ltd ATF Mark Calderwood Super Fund, 1,000,000 performance rights
- (a) the current total annual remuneration from the Company to the Directors the subject of Resolutions 4 to 7 is set out in Section 5.7(g);
- (b) if the Performance Rights are granted and then exercised, a total of 36,000,000 Shares would be issued. This will increase the number of Shares on issue from 1,241,946,461 (being the number of Shares on issue at the date of this Notice) to 1,277,946,461 (assuming that no Options are exercised or other convertible securities converted, and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of approximately 2.899%, comprising approximately 0.725% by Myles Fang, 0.725% by Ariel Edward King, 0.725% by Jason Hou; and 0.725% by Mark Calderwood;
- (c) If, at any time any of the Performance Rights vest and are exercised there may be a perceived cost to the Company as the Shares are trading on ASX at a price that is higher than the price of the Director Performance Rights (being nil).

The highest and lowest closing prices of Shares on ASX during the 12 months preceding the date of this Notice, and the closing price on the trading day before the date of this Notice, are set out below:

	Price	Date
Highest	\$0.0485	15 November 2022
Lowest	\$0.008	14 September 2023
Last	\$0.009	4 October 2023

- (d) the Board acknowledges the grant of the Performance Rights to each of Messrs King, Hou and Calderwood (who are Non-Executive Directors) is contrary to Recommendation 8.2 of The Corporate Governance Principles and Recommendations (4th Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of the Performance Rights is reasonable in the circumstances for the reasons set out in paragraph (k);
- (e) the primary purpose of the grant of the Performance Rights is to provide a performance-linked incentive component in their remuneration package to motivate and reward their performance in their respective roles as Directors;
- (f) the Directors consider the grant of the Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as:
- (i) the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given;
  - (ii) the grant of the Performance Rights will align the interests of the Directors with those of Shareholders; and
  - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights upon the terms proposed.

In forming their reasoning and determining the quantity of Performance Rights to be granted each Director considered:

- (i) the experience and role of each other Director,
  - (ii) the cash remuneration of each other Director. The Company considers the Directors' emoluments are at comparable levels for base remuneration for directors at mineral exploration companies at a similar stage of development;
  - (iii) the market price of Shares and the current market practices when determining the number of Performance Rights to be granted;
  - (iv) the vesting condition price (which is to be set at a premium to the market price of Shares as at the date of the Company agreeing to seek Shareholder approval for the issue of the Performance Right), and the expiry date of the Performance Rights;
  - (v) the performance milestone is based on the Company's share price achieving a 20 day VWAP target of \$0.014, which represent a substantial increase above the Company's recent trading price, and which is required to be sustained over a reasonable period. The Company considers that a sustained increase in the Company's Share price serves as an appropriate indicator of the Company's successful performance to which vesting of the performance securities is to be linked;
  - (vi) all Directors who are proposed to receive Performance Rights will be involved according to their respective responsibilities in setting the Company's strategy and overseeing the implementation of the Company's exploration and development activities in relation to its projects; and
  - (vii) the Company considers it is appropriate that the Directors should have an incentive component to their remuneration that will vest only if the Company's value increases.
- (g) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 4 to 7.

## **6. Resolution 8 – Approval of 10% Issuance Capacity**

### **6.1 General**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

An "eligible entity" means an entity which is not included in the S&P/ASX300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

Resolution 8 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without Shareholder approval (**Additional Issuance Capacity**).

If Resolution 8 is not passed, the Company will not be able to access the Additional Issuance Capacity and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

The Board considers it is in the Company's best interests to have the opportunity to take advantage of the flexibility to issue additional securities provided under ASX Listing Rule 7.1A. As at the date of this Notice, no decision has been made by the Board to undertake any issue of securities under the Additional Issuance Capacity if Shareholders approve Resolution 8.

Resolution 8 is a special resolution. A special resolution is one of which notice must be given in accordance with section 249L(1)(c) of the Corporations Act, which requires the setting out of the intention to propose a special resolution) and which has to be passed by at least 75% of the votes cast by Shareholders entitled to vote on the Resolution.

The Board unanimously recommend that Shareholders vote in favour of Resolution 8.

The information below provides more background on ASX Listing Rule 7.1A and the disclosure required by ASX Listing Rule 7.3A.

## **6.2 Technical information required by Listing Rule 7.3A**

### **(a) Securities which may be issued under the Additional Issuance Capacity**

Under the Additional Issuance Capacity, the Company can only issue Equity Securities belonging to an existing quoted class of the Company's Equity Securities. As at the date of this Notice, the Company has on issue one class of quoted Equity Securities, being fully paid ordinary shares (ASX Code: EFE).

### **(b) Minimum issue price**

Equity Securities issued under the Additional Issuance Capacity must be issued for cash consideration per security which is not less than 75% of the volume weighted average market price for the securities in that class, calculated over the 15 ASX trading days on which trades of securities in that class were recorded immediately before:

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

The Company will disclose this information when Equity Securities are issued under the Additional Issuance Capacity.

### **(c) Period for which approval will be valid**

Shareholder approval of the Additional Issuance Capacity will be valid for the period commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) the date that is 12 months after the date of the Meeting; or
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) if the Company receives Shareholder approval for a proposed transaction under ASX Listing Rule 11.1.2 (significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking), the time and date of that approval,

**(Additional Issuance Period).**

### **(d) Dilution risks**

If Equity Securities are issued under the Additional Issuance Capacity, there is a risk of economic and voting dilution of existing Shareholders, including the following risks:

- (i) the market price for Equity Securities in the class of securities issued under the Additional Issuance Capacity may be significantly lower on the issue date than on the date of the approval under ASX Listing Rule 7.1A (that is, the date of the Meeting, if Resolution 8 is approved); and
- (ii) the Equity Securities may be issued under the Additional Issuance Capacity at a discount to the market price for those Equity Securities on the issue date,

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

The below table shows the potential dilution of existing Shareholders on the basis of the market price of Shares and the number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A.2, both as at 4 October 2023.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue as at 4 October 2023. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlement offer or securities issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future general meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the market price as at 4 October 2023, rounded to \$0.01 for practical purposes.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price	\$0.005	\$0.010	\$0.015
	(per Share)	50% decrease in Issue Price	Issue Price \$0.010	50% increase in Issue Price
1,241,946,461 (Current Variable A)	Shares issued - 10% voting dilution	124,194,646	124,194,646	124,194,646
	Funds Raised	\$620,973	\$1,241,946	\$1,862,920
1,862,919,692 (50% increase in Variable A)	Shares issued - 10% voting dilution	186,291,969	186,291,969	186,291,969
	Funds Raised	\$931,460	\$1,862,920	\$2,794,380
2,483,892,922 (100% increase in Variable A)	Shares issued - 10% voting dilution	248,389,292	248,389,292	248,389,292
	Funds Raised	\$1,241,946	\$2,483,893	\$3,725,839

\*The number of Shares on issue (Variable A in the formula) 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 scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 1,241,946,461 Shares on issue.
2. The issue price set out above is the closing price of the Shares on the ASX on 4 October 2023, rounded to \$0.01 for practical purposes.
3. The Company issues the maximum possible number of Equity Securities under the Additional Issuance Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the Additional Issuance Capacity consists only of Shares and the consideration provided for those Shares is cash. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. 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.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. 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%.

(e) **Purpose of issues under Additional Issuance Capacity**

The Company may issue Equity Securities under the Additional Issuance Capacity to raise cash to fund the following:

- (i) general working capital expenses;
- (ii) activities associated with its current business;
- (iii) repayment of debt; or
- (iv) the acquisition of new assets and investments (including any expenses associated with such an acquisition).

The Company will comply with the disclosure requirements of ASX Listing Rule 7.1A.4 on issue of any Equity Securities pursuant to the approval sought by Resolution 8.

(f) **Allocation policy under Additional Issuance Capacity**

The Company's allocation policy and the identity of the recipients of Equity Securities issued under the Additional Issuance Capacity will be determined on a case-by-case basis at the time of issue and in the Company's discretion.

No decision has been made in relation to an issue of Equity Securities under the Additional Issuance Capacity, including whether the Company will engage with new investors or existing Shareholders, and if so the identities of any such persons.

However, when determining the allocation policy and the identity of the recipients, the Company will have regard to the following considerations:

- (i) prevailing market conditions;
- (ii) the purpose for the issue of the Equity Securities;
- (iii) the financial situation and solvency of the Company;
- (iv) impacts of the placement on control;
- (v) other methods of raising capital; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Recipients may include existing Shareholders or new investors, but not persons who are related parties or associates of related parties of the Company. If the issue is made in connection with the acquisition of assets, the recipients may be the sellers of those assets.

(g) **Previous issues under the Additional Issuance Capacity**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 29 November 2022 (**Previous Approval**).

The Company has not issued or agreed to issue the following Equity Securities under a previous Additional Issuance Capacity in the 12 months prior to the date of the Meeting.

### 6.3 Voting exclusion

At the time of dispatching this Notice, the Company is not proposing to make an issue of Equity Securities under the Additional Issuance Capacity, and a voting exclusion statement is therefore not included in this Notice



## Glossary

**\$** means Australian dollars.

**Additional Issuance Capacity** has the meaning given in Section 6.

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

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

**Annual Report** means the Directors' Report, the Financial Report and Auditor's Report in respect to the financial year ended 30 June 2023.

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

**ASX** means **ASX Limited** (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

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

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

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

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

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

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

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

**Company** means Eastern Resources Limited ACN 126 678 037.

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

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

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

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

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

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

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

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

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

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

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

**Performance Rights** means a Performance Right on the terms and conditions set out in Schedule 1.

**Plan** means the employee incentive scheme titled "Eastern Resources Performance Rights Plan".

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

**Remuneration Report** means the remuneration report set out in the Director's Report.

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

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

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

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

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

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

## Schedule 1 Terms and Conditions of Performance Rights

(a) **Entitlement**

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

(b) **Grant and exercise price**

No cash consideration is payable on the issue of or exercise of a Performance Right.

(c) **Expiry Date**

Unless otherwise determined by the rules of the Plan, each Performance Right will expire at 5:00 pm (WST) on:

Class	Expiry Date
A	5 years from the date of issue

(each an **Expiry Date**). A Performance Right not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Vesting Conditions**

The Performance Rights will vest upon satisfaction of the following condition:

Class	Vesting Conditions
A	The Performance Rights will vest upon the volume weighted average price over a period of 20 consecutive Trading Days on which trades in the Shares are recorded on ASX being at least \$0.014, within 3 years from the date of issue and the Director electing to vest the Performance Right

(each, a **Vesting Condition**).

(e) **Exercise Period**

The Performance Rights are exercisable at any time on and from the date upon which the relevant Vesting Conditions have been satisfied (or waived in accordance with the rules of the Plan), until the Expiry Date (**Exercise Period**).

(f) **Notice of Exercise**

The Performance Rights may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Performance Rights certificate or otherwise in the rules of the Plan (**Notice of Exercise**).

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

Following the date of receipt of a validly issued Notice of Exercise and within the time period specified by the ASX Listing Rules, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights specified in the Notice of Exercise; and
- (ii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

Also, if required, the Company will give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (**Cleansing Notice**), or, if the Company is unable to issue a Cleansing Notice, lodge

with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors. If a Cleansing Notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Performance Rights rank equally with the then issued Shares of the Company.

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in number of underlying securities**

A Performance Right does not confer a change in the number of underlying securities over which the Performance Right can be exercised.

(l) **No voting or dividend rights**

A Performance Right does not carry any voting rights or entitle the holder to any dividends.

(m) **Rights on winding up**

A Performance Right does not confer any right to participate in the surplus profits or assets of the Company upon winding up of the Company. The Performance Rights do not confer any right to a return of capital, whether in winding up, upon reduction of capital or otherwise.

(n) **Transferability**

A Performance Right is not transferable other than a manner consistent with the ASX Listing Rules and the rules of the Plan.

## Schedule 2 – Key terms of Equity Incentive Plan

The key terms of the Equity Incentive Plan are summarised below:

- (a) **Eligibility:** Participants in the Plan may be:
- (i) an employee or Director (whether executive or non-executive) of, or any individual who provides services to, the Company and any Associated Body Corporate of the Company (each a **Group Company**);
  - (ii) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming an Eligible Participant under subparagraph (i); or,
  - (iii) a person prescribed by the Corporations Regulations for the purposes of section 1100L(1)(a)(iv) of the Corporations Act,
- who is declared by the Board to be eligible to receive grants of Equity Incentives under the Plan (**Eligible Participants**).
- (b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for up to a specified number of Equity Incentives, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines.
- (c) **Limit on Offers:** The Company must have reasonable grounds to believe, when making an Offer to which the limit on Offers as set out in section 1100V of the Corporations Act applies, that the number of Shares to be received on exercise of Equity Incentives offered under such an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made as covered by section 1100V(1)(b) of the Corporations Act at any time during the 3 year period ending on the day the Offer is made, will not exceed, if the Constitution specifies an issue cap percentage, that percentage, otherwise, the greater of:
- (i) 5% of the total number of Shares on issue at the start of the day the Offer is made; or
  - (ii) such other percentage prescribed by the Corporations Regulations for the purposes of section 1100V(2)(b)(iii).
- (d) **Issue price:** Unless the Equity Incentives are Options quoted on the ASX, Equity Incentives issued under the Plan will be issued for nil cash consideration.
- (e) **Vesting Conditions:** An Equity Incentive may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Equity Incentive.
- (f) **Vesting:** The Board may in its absolute discretion (except in respect of a Change of Control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Equity Incentives have been granted under the Plan or their nominee where the Equity Incentives have been granted to the nominee of the Eligible Participant), resolve to waive any of the Vesting Conditions applying to Equity Incentives due to:
- (i) Special Circumstances arising in relation to a Relevant Person in respect of those Equity Incentives; or
  - (ii) a Change of Control occurring; or
  - (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
- (g) **Lapse:** An Equity Incentive will lapse upon the earlier to occur of:
- (i) an unauthorised dealing in, or hedging of, the Equity Incentive;

- (ii) a Vesting Condition in relation to the Equity Incentive is not satisfied by its due date, or becomes incapable of satisfaction as determined by the Board in its sole discretion, unless the Board exercises its discretion to waive the Vesting Conditions and vest the Equity Incentive in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Equity Incentives to remain unvested after the Relevant Person ceases to be an Eligible Participant;
  - (iii) in respect of unvested Equity Incentive only, a Relevant Person ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Equity Incentive in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Equity Incentives to remain unvested after the Relevant Person ceases to be an Eligible Participant;
  - (iv) in respect of vested Equity Incentives only, a relevant person ceases to be an Eligible Participant and the Equity Incentive granted in respect of that person is not exercised within one (1) month (or such later date as the Board determines) of the date that person ceases to be an Eligible Participant;
  - (v) the Board deems that an Equity Incentive lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
  - (vi) in respect of unvested Equity Incentive only, the Company undergoes a Change of Control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Equity Incentive;
  - (vii) the expiry date of the Equity Incentive.
- (h) **Not transferrable:** Equity Incentives are only transferrable in Special Circumstances with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death, to the Participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.
- (i) **Cashless exercise:** Subject to the terms of the Offer, a Participant may elect to exercise vested Options by way of a 'cashless exercise'. Where a Participant makes such an election, rather than the Participant being required to pay the Option Exercise Price for each Option to be exercised, the Company will issue the Participant with a smaller number of Shares on the exercise of the Options representing the difference between the value of the Shares to be issued and the Option Exercise Price as determined by the following formula (rounded down to a whole number of Shares):
- $$\frac{\text{Number of Options exercised} \times (\text{Closing Share Price} - \text{Option Exercise Price})}{\text{Closing Share Price}}$$
- Where **Closing Share Price** means the closing Share price on the date of receipt by the Company of the exercise notice for the Options.
- (j) **Shares:** Shares resulting from the exercise of the Equity Incentives shall, subject to any Sale Restrictions (refer paragraph (k)) from the date of issue, rank on equal terms with all other Shares on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.
- (k) **Quotation of Shares:** If Shares of the same class as those issued upon exercise of Equity Incentives issued under the Plan are quoted on the ASX, the Company will, subject to the Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any restriction period applying to the disposal of Shares ends.
- (l) **Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Equity Incentives, that a restriction period will apply to some or all of the Shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Equity Incentives up to a maximum of seven (7) years from the grant date of the Equity Incentives. In addition, the Board may, in its sole

discretion, having regard to the circumstances at the time, waive any such restriction period determined.

- (m) **No Participation Rights:** There are no participating rights or entitlements inherent in the Equity Incentives and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Equity Incentives.
- (n) **Change in exercise price or number of underlying securities:** Unless specified in the offer of the Equity Incentives and subject to compliance with the Listing Rules, an Equity Incentive does not confer the right to a change in exercise price (if any) or the number of underlying Shares over which the Equity Incentive can be exercised.
- (o) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Equity Incentive are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation.
- (p) **Amendments:** Subject to express restrictions set out in the Plan and complying with the Corporations Act, Listing Rules and any other applicable law, the Board may at any time by resolution amend or add to all or any of the provisions of the Plan, or the terms or conditions of any Equity Incentive granted under the Plan including giving any amendment retrospective effect.
- (q) **Trust:** The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Equity Incentives, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust. The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust. The Board may at any time amend all or any of the provisions of the Plan to effect the establishment of such a trust and the appointment of such a trustee.
- (r) **Definitions:** Capitalised terms used in the above summary are as defined in the Equity Incentive Plan, including:
  - (i) **Associated Body Corporate** means:
    - (A) a related body corporate (as defined in the Corporations Act) of the Company;
    - (B) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
    - (C) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.
  - (ii) **Change of Control** means:
    - (A) a bona fide Takeover Bid is declared unconditional and the bidder has acquired a Relevant Interest in more than 50% of the Company's issued Shares;
    - (B) a court approves, under section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
    - (C) in any other case, a person obtains Voting Power in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.
  - (iii) **Relevant Person** means:

- (A) in respect of an Eligible Participant, that person; and
  - (B) in respect of a nominee of an Eligible Participant, that Eligible Participant.
- (iv) **Special Circumstances** means:
- (A) a Relevant Person ceasing to be an Eligible Participant due to:
    - i. death or Total or Permanent Disability of a Relevant Person; or
    - ii. Retirement or Redundancy of a Relevant Person;
  - (B) a Relevant Person suffering Severe Financial Hardship;
  - (C) any other circumstance stated to constitute "Special Circumstances" in the terms of the relevant offer made to and accepted by the Participant; or
  - (D) any other circumstances determined by the Board at any time (whether before or after the offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant.



Your proxy voting instruction must be received by **04.00pm (AEDT) on Sunday, 19 November 2023**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### STEP 2 - VOTES ON ITEMS OF BUSINESS

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

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

### Lodging your Proxy Voting Form:

#### Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

**Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.**



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

#### BY FACSIMILE:

+61 2 8583 3040

#### All enquiries to Automic:

##### WEBSITE:

<https://automicgroup.com.au/>

##### PHONE:

1300 288 664 (Within Australia)  
+61 2 9698 5414 (Overseas)

