

This document is important and requires your immediate attention.

NOTICE OF 2020 ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENTS

Due to the continuing developments in relation to the COVID-19 pandemic, the Annual General Meeting of Aerometrex Ltd will be held virtually via an online platform at <https://web.lumiagm.com> with meeting ID 324-135-865 at 11.00 am (Adelaide time) on Wednesday 4 November 2020:

Further information regarding participation in the meeting is set out on page 3 of this document.

For personal use only

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Important note

This booklet sets out information to assist Shareholders to assess the resolutions to be considered at the Annual General Meeting.

You should read this information carefully and in its entirety before making a decision as to how to vote at the Annual General Meeting. No responsibility is taken for the contents of this booklet by ASIC, ASX or any of their officers.

If you do not fully understand the contents of this information you should consult your financial or legal adviser for assistance.

A Notice of Annual General Meeting and Proxy Form are included in/with this booklet. Shareholders are urged to complete the online proxy at www.investorvote.com.au or return the enclosed Proxy Form as soon as possible, irrespective of whether or not they intend to attend the Annual General Meeting.

Questions

If you have any queries regarding the contents of this booklet or in relation to the Annual General Meeting, please contact the Company Secretary, Ms Kaitlin Smith, on (08) 8232 8800. Questions may also be submitted by emailing investorrelations@aerometrex.com.au or by submitting an online question when lodging your proxy vote online at www.investorvote.com.au.

How to participate in the AGM online

The Annual General Meeting of the Shareholders of Aerometrex Limited (Company) will be held virtually via an online platform via <https://web.lumiagm.com> with meeting ID 324-135-865 commencing at 11.00 am (Adelaide time) on Wednesday 4 November 2020.

Shareholders can participate in the virtual AGM and watch the webcast online using one of the following methods:

- (a) from their computer, by entering the URL in their browser: <https://web.lumiagm.com/324135865>; or
- (b) from their mobile device, by entering the URL in their browser: <https://web.lumiagm.com/324135865>.

The online platform will allow Shareholders to view the meeting, vote and ask questions in real-time.

For further instructions on how to participate online please view the online meeting user guide at www.computershare.com.au/virtualmeetingguide.

Technical Difficulties

Technical Difficulties may arise during the course of the virtual AGM. The chairman has discretion as to whether and how the meeting should proceed in the event that a technical difficulty arises. In exercising this discretion, the chairman will have regard to the number of shareholders impacted and the extent to which participation in the business of the meeting is affected.

Where the chairman considers it appropriate, the chairman may continue to hold the meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, shareholders are encouraged to lodge a proxy by 11.00am (Adelaide time) Monday 2 November even if they plan to attend online.

Voting by Proxy

To be valid, your Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 11.00 am (Adelaide time) on Monday 2 November 2020. Any Proxy Form received after that time will not be valid for the Annual General Meeting as scheduled.

How to submit your vote in advance of the meeting

Online

At www.investorvote.com.au

By mail

Share Registry
Computershare Investor Services Pty Limited
GPO Box 242
Melbourne Victoria 3001
Australia

By fax

1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)

By mobile

Scan the QR Code on your Proxy Form and follow the prompts

Custodian voting

For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Shareholders of Aerometrex Ltd for 2020 will be held at 11.00 am (Adelaide time) on Wednesday 4 November 2020.

Agenda

The Explanatory Statement that accompanies and forms part of this Notice of Annual General Meeting describes the business to be transacted at the Annual General Meeting.

Ordinary Business

Financial Statements and Reports

To receive and consider the annual financial report and the reports of the Directors and of the Auditor for the financial year ended 30 June 2020.

Resolution 1

Adoption of Remuneration Report

To consider and, if thought fit, pass 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, the Remuneration Report for the year ended 30 June 2020 be adopted."

Please note that pursuant to Section 250R(3) of the Corporations Act, 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.

Voting Recommendation

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Directors recommend that Shareholders vote in favour of Resolution 1. The Chairman intends to vote undirected proxies in favour of Resolution 1.

Resolution 2

Appointment of Auditor at First AGM

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

"That, for the purposes of section 327B of the Corporations Act and for all other purposes, Grant Thornton Audit Pty Ltd, having been nominated by a Shareholder and having consented in writing to act in the capacity of auditor, be appointed as auditor of the Company with effect from the close of the Meeting."

Resolution 3

Re-Election of Director – Dr Peter Foster



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

"That, for the purpose of ASX Listing Rule 14.5 and article 50 of the Constitution and for all other purposes, Mr. Peter Foster, who retires by rotation in accordance with article 50 of the Constitution, and being eligible and offers himself for re-election, be re-elected as a Director."

Voting Recommendation

The Directors (with Dr Peter Foster abstaining) support the re-election of Dr Foster and recommend that Shareholders vote in favour of Resolution 3. The Chairman intends to vote undirected proxies in favour of Resolution 3.

SPECIAL BUSINESS

Resolution 4

Approval of Share Option Plan

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

"That, for the purposes of ASX Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is hereby given for the Company to adopt an employee incentive scheme titled 'Aerometrex Limited Share Option Plan', and for the issue of securities under that Plan, from time to time upon the terms and conditions specified in the Explanatory Statement as an exception to ASX Listing Rule 7.1."

Voting Exclusion Statement

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 is eligible to participate in the employee incentive scheme or an associate of that person or those persons.

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

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

Voting Prohibition Statement

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

- (a) the proxy is either:
 - (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, 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.

Voting Recommendation

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this Resolution.

Resolution 5

Approval to Issue of Options to Dr Peter Foster

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is hereby given to the issue of 100,000 Options to Dr Peter Foster (or his nominee) on the terms set out in the Explanatory Statement.”

Voting Exclusion Statement

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of Dr Peter Foster (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

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

Voting Prohibition Statement

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

- (a) the proxy is either:
 - (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, 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.

Resolution 6

Approval to Issue of Options to Mr David Byrne

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is hereby given to the issue of 100,000 Options to Mr David Byrne (or his nominee) on the terms set out in the Explanatory Statement."

Voting Exclusion Statement:

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 David Byrne (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

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

Voting Prohibition Statement

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

- (a) the proxy is either:
 - (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, 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.

Resolution 7

Approval to Issue of Options to Mr Mark Deuter

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is hereby given to the issue of 100,000 Options to Mr Mark Deuter on the terms set out in the Explanatory Statement."

Voting Exclusion Statement:

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 Mark Deuter (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

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

Voting Prohibition Statement

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

- (a) the proxy is either:
 - (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, 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.

Resolution 8

Ratification of Prior Issue of Options

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 7.4 and for all other purposes, Shareholders ratify the issue of 2,255,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

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 participated in the issue (namely the recipients of the Options) or an associate of that person or those persons..

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

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

Resolution 9

Amendment to Constitution

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

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to amend its Constitution to ensure that it reflects the changes to ASX Listing Rule 15.12 (Restricted Securities) and ASX Listing Rule 8.14 (“reasonable fee” for registering paper-based transfers).”

Other Business

In accordance with section 250S(1) of the Corporations Act, Shareholders are invited to ask questions about or make comments on the management of the Company and to raise any other business which may lawfully be brought before the Annual General Meeting.

By order of the Board



Kaitlin Smith
Company Secretary

Dated: 2 October 2020

Explanatory Statement

1. General Information

This Explanatory Statement and all attachments are important documents. They should be read carefully.

This Explanatory Statement has been prepared for the Shareholders of Aerometrex Ltd (**Company**) in connection with the Annual General Meeting of the Company to be held at 11:00 am (Adelaide time) on Wednesday 4 November 2020 by Virtual Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with the information known to the Company that the Board considers material to their decision on whether to approve the Resolutions in the accompanying Notice. This document is important and should be read in conjunction with all of the information contained in this booklet, including the Notice. Capitalised terms in this Explanatory Statement are defined in the Glossary.

Proxies

Please note that: (a) a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy; (b) a proxy need not be a member of the Company; (c) a Shareholder may appoint a body corporate or an individual as its proxy; (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and (e) Shareholders 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. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Annual General Meeting.

To vote by proxy, please complete and sign the Proxy Form and return it so that it is received by no later than 11.00 am (Adelaide time) on Monday 2 November 2020 in accordance with the instructions set out on the Proxy Form. Proxy Forms received later than this time will be invalid.

Alternatively, you may appoint a proxy using an electronic facility available at the website www.investorvote.com.au. At the website, shareholders will be able to view an electronic version of the proxy form, which will accept proxy appointments and register them accordingly.

Voting entitlements

In accordance with Regulation 7.11.37 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 6.30 pm (Adelaide time) on Monday 2 November 2020. Accordingly, transactions registered after that time will be disregarded in determining Shareholders' entitlements to attend and vote at the Annual General Meeting.

2. Financial Statements and Reports

In accordance with the Corporations Act and the Constitution, the business of the Annual General Meeting will include the receipt and consideration of the annual financial report of the Company for the year ended 30 June 2020, together with the related Directors' report, Directors' declaration and Auditors' report. This item of business is intended to provide an opportunity for Shareholders to raise questions on the reports themselves and on the performance of the Company generally. No resolution need be put to the meeting in relation to these items.

As a Shareholder, you are entitled to submit a written question to the Auditor prior to the Annual General Meeting provided that the question relates to:

- the content of the Auditor's report; or
- the conduct of the audit in relation to the financial report.

All written questions must be received by the Company no later than 5.00 pm (Adelaide time) on Wednesday, 28 October 2020.

All questions must be sent to the Company and may not be sent to the Auditor. The Company will then forward all questions to the Auditor.

The Auditor will be present at the Annual General Meeting and Shareholders will have the opportunity to ask the Auditor questions in relation to the conduct of the audit, the Auditor's report, the Company's accounting policies, and the independence of the Auditor.

3. Resolution 1 – Adoption of Remuneration Report

Section 250R(2) of the Corporations Act requires a listed company to put to its shareholders (at its annual general meeting) a resolution that the remuneration report be adopted. Such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2020.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting. Notwithstanding the advisory effect of Resolution 1, the Board will consider the outcome of the vote made by the Shareholders with regard to the Remuneration Report at the Annual General Meeting when reviewing the Company's remuneration policies.

Although the effect of Resolution 1 is advisory only, under the "two strikes" rule, companies will be required to put a resolution to shareholders to hold fresh elections for directors if, at two consecutive annual general meetings, at least 25% of the votes cast on a resolution (such as Resolution 1) to adopt the remuneration report are cast against that resolution. If required, a 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.

As this Annual General Meeting of the Company is its first general meeting since its Initial Public Offering, the spill resolution is not relevant for this Annual General Meeting.

Voting Recommendation

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Directors recommend that Shareholders vote in favour of Resolution 1. The Chairman intends to vote undirected proxies in favour of Resolution 1.

4. Resolution 2 – Appointment of Auditor at First AGM

Section 327B(1) of the Corporations Act provides that a public company must appoint an auditor at its first annual general meeting and at any subsequent annual general meeting thereafter where there is a vacancy.

The Directors appointed Grant Thornton Audit Pty Ltd (**Grant Thornton**) as the Company's auditor following registration of the Company.

In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a Shareholder for Grant Thornton to be appointed as the Company's auditor. A copy of this nomination is attached to this Notice as Annexure B.

Grant Thornton has given its written consent to act as the Company's auditor in accordance with section 328A(1) of the Corporations Act subject to Shareholder approval of this Resolution.

If this Resolution is passed, the appointment of Grant Thornton as the Company's auditor will take effect at the close of this Meeting.

5. Resolution 3 – Re-Election of Director – Dr Peter Foster

ASX Listing Rule 14.5 and article 50 of the Constitution require that one third of the Directors (or, if their number is not a multiple of 3, then the number nearest to but not exceeding one third) must retire from office at each Annual General Meeting. The Directors retire by rotation, with the Director(s) who have been the longest in office since being appointed or re-appointed being the Director(s) who must retire in any one year.

The Constitution ensures that no Director is able to remain in office for longer than 3 years without standing for re-election. Each Director is entitled to offer himself/herself for re-election as a Director at the Annual General Meeting which coincides with his/her retirement.

The Managing Director (if any) is exempted by his office as managing director from the requirement to retire by rotation.

Dr Peter Foster was appointed as a Non-executive Director of Aerometrex on 15 October 2019.

Dr Foster has extensive business experience across a variety of industries. He is a creative entrepreneur with wide-ranging experience in developing innovative technologies for global markets, having founded and grown numerous technology and commercial ventures. Peter received his PhD in Physics from the University of Adelaide in lasers and non-linear optical technology. He has extensive experience with the invention and intellectual property protection process and holds over 40 international patents in optics and precision electronics. Peter is currently Managing Director of Longwood Audio Pty Ltd, owners of the Halcro highend hifi brand, and Managing Director of VentureNext Pty Ltd, which he formed in 2010 as a vehicle for consulting and early stage company investment. He has also held senior scientific positions with a local medical laser manufacturer and with the Department of Metallic Materials, University of Bayreuth, Germany, and has delivered intensive courses on startups and technology commercialisation for the University of Adelaide.

Dr Foster currently serves on the Board of Directors for VivoSense, a San Diego based pharmaceutical services company and leads its commercial advisory board whose members are located across the US.

If re-elected the Board considers Dr Foster will be an independent Director.

Dr Foster has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his/her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

Voting Recommendation

The Directors (with Dr Peter Foster abstaining) support the re-election of Dr Foster and recommend that Shareholders vote in favour of Resolution 3. The Chairman intends to vote undirected proxies in favour of Resolution 3.

6. Resolution 4 – Adoption of Share Option Plan

Resolution 4 seeks Shareholder approval for the adoption of the employee incentive scheme titled 'Aerometrex Share Option Plan' in accordance with ASX Listing Rule 7.2 (Exception 13(b)) (**Share Option Plan**).

A summary of the key terms and conditions of the Share Option Plan is set out below.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. ASX Listing Rule 7.2 (Exception 13(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 4 is passed, the Company will be able to issue Options under the Share Option Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

If Resolution 4 is not passed, the Company will be able to proceed with the issue of Options under the Share Option Plan to eligible participants, but any issues of Options will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the Shares or Options.

The objective of the Share Option Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Share Option Plan and the future issue of Options under the Share Option Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future issues of Options under the Share Option Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

The Share Option Plan has not previously been approved by Shareholders. Accordingly, the Company has not issued any Options under the Share Option Plan in reliance on Listing Rule 7 (exception 13(b)), however, the Company has issued 2,255,000 Options under the Share Option Plan pursuant to its placement capacity under Listing Rule 7.1.

The maximum number of Options proposed to be issued under the Share Option Plan, following Shareholder approval, is 4,720,000 Options which includes the Options proposed to be issued under Resolutions 5-7. It is not envisaged that the maximum number of Options for which approval is sought will be issued immediately.

In addition, a copy of the Share Option Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary Kaitlin Smith on (08) 8232 8800. Shareholders are invited to contact the Company if they have any queries or concerns.

Voting Recommendation

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this Resolution.

Summary of Share Option Plan Rules

Eligibility	The Board may in its absolute discretion, without being bound to do so, from time to time and at intervals determined by the Board, issue written invitations to apply for any number of Options, on such terms as the Board determines, to Eligible Employees selected by the Board.
Limit	The Plan has been prepared to comply with ASIC Class Order [CO 14/1000] and as such, offers under the Plan are limited to the 5% capital limit set out in the Class Order.
Matters for Determination	<p>Subject to any limitations under the Listing Rules, the Corporations Act and any other law applicable to Aerometrex, when granting Options to an Eligible Employee, the Board:</p> <ul style="list-style-type: none"> a) must determine the date on which the Options are to expire and lapse (Expiry Date); b) must determine the date on which the Options vest in the Participant and, thereby become exercisable by the Participant; c) may determine any other conditions which must be satisfied before the Options vest in the Participant or are otherwise exercisable by the Participant; and d) must determine the Exercise Price for each Option.
Vesting	The Board may determine the time periods or performance hurdles after which Options will vest, and the percentage of Options issued which will vest at each particular time. The Plan provides for the release of vesting conditions in the event of a change of control of the Company.
Cessation of Employment	<p>If a Participant or its Associated Employee ceases to be an Eligible Employee (other than through the death):</p> <ul style="list-style-type: none"> a) all Options granted to a Participant which have not vested, automatically expire and lapse; and b) unless the Board resolves otherwise, all Options granted to the Participant which have vested, will expire and lapse on the expiry of 90 days (or such longer period as determined by the Board) after the date on which the Participant or Associated Employee ceases to be an Eligible Employee, except where the Participant or Associated Employee ceases to be an Eligible Employee as a result of termination for dishonest, fraud or cause (as defined in the relevant Participant's employment agreement) in which case, all such Options expire and lapse immediately on the Participant or Associated Employee ceasing to be an Eligible Employee.
Quotation	Options will not be listed for quotation. However, the Company will make application to ASX for official quotation of all Shares issued on exercise of the Options as soon as practicable after their Issue Date.
Transfer	<p>The rights and entitlements of a Participant to Options may not be transferred, assigned, encumbered or otherwise disposed of by the Participant except by transmission in accordance with a transmission event.</p> <p>Transmission Event means:</p> <ul style="list-style-type: none"> a) if a Participant is an individual – death, total and permanent disablement, terminal illness, bankruptcy, becoming of unsound mind or becoming a person whose property is liable to be dealt with under a law about mental health; or b) if a Participant is a body corporate – the deregistration or winding up of the Participant or the succession by another body corporate to the assets and liabilities of the Participant.

Reorganisation of Capital	<p>In the event of a consolidation, subdivision or similar reconstruction of the issued capital of Aerometrex:</p> <ul style="list-style-type: none">a) the number of Shares to which a Participant is entitled on exercise of an Option will be reduced or increased in the same proportion as the issued capital of Aerometrex is consolidated, subdivided or reconstructed (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the consolidation, subdivision or reconstruction); andb) an appropriate adjustment will be made to the Exercise Price, to the effect that the total amount payable on an exercise of all Options by each Participant will not alter.
Participation rights	<p>A Participant may only participate in issues of securities by Aerometrex (as a Participant) if the Option has been exercised and a Share allotted in respect of the exercise of that Option before the closing date for determining entitlements to the security issue.</p>

7. Resolution 5 – Approval to issue Options to Dr Peter Foster

General

Resolution 5 seeks Shareholder approval for the issue of up to 100,000 options to Dr Peter Foster (or his nominee).

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 options constitutes giving a financial benefit to Dr Foster whom is a related party of the Company by virtue of being a Director.

The Directors (other than Dr Foster who has a material personal interest in Resolution 5) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Options because the agreement to issue the Options, reached as part of the remuneration package for Dr Foster (or his nominee) is considered reasonable remuneration and was negotiated on an arm's length basis on the same terms as options issued to employees in the Share Option Plan announced by the Company on 8 May 2020.

ASX Listing Rule 10.11

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:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4
- 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders, unless it obtains the approval of its shareholders.

As resolution 5 involves the issue of options to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. 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, therefore the approval of shareholders under Listing Rule 10.11 is required.

Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Options to Dr Foster within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Options (because approval is being obtained under Listing Rule 10.11), the issue of the Options will not use up any of the Company's 15% annual placement capacity.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the Options.

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 Resolution 5:

- (a) the options will be issued to Dr Peter Foster (or his nominee/s) who falls within the category set out in Listing Rule 10.11.1 being a related party by virtue of being a Director;
- (b) the maximum number of Options to be issued is 100,000. The Options which will vest in accordance with the following milestones:
 - (i) 50,000 Options one year from issue; and
 - (ii) 50,000 Options two years from issue; and
- (c) the options will be issued no later than 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 issue of the Options will occur on the same date;
- (d) the Options will be issued on the terms and conditions set out in Annexure A;
- (e) no funds will be raised from the issue as the Options as the Options are being issued for nil cash consideration;
- (f) the current total remuneration package for Dr Peter Foster is \$65,700, comprising of directors' fees of \$60,000 and a superannuation payment of \$5,700. If the Options are issued, the total remuneration package of Dr Peter Foster will increase by \$103,302 to \$169,002, being the value of the Options (based on the Black Scholes methodology);
- (g) the Options are not being issued under an agreement.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of options the subject of resolution 5 as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the options will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

8. Resolution 6 – Approval to issue Options to Mr David Byrne

General

Resolution 6 seeks Shareholder approval for the issue of up to 100,000 options to Mr David Byrne (or his nominee).

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 options constitutes giving a financial benefit to Mr Byrne whom is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Byrne who has a material personal interest in Resolution 6) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Options because the agreement to issue the Options, reached as part of the remuneration package for Mr Byrne (or his nominee) is considered reasonable remuneration and was negotiated on an arm's length basis on the same terms as options issued to employees in the Share Option Plan announced by the Company on 8 May 2020.

ASX Listing Rule 10.11

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:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders, unless it obtains the approval of its shareholders.

Technical information required by Listing Rule 14.1A

If Resolution 6 is passed, the Company will be able to proceed with the issue of the Options to Mr Byrne within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Options (because approval is being obtained under Listing Rule 10.11), the issue of the Options will not use up any of the Company's 15% annual placement capacity

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Options.

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 Resolution 6:

- (a) the options will be issued to Mr David Byrne (or his nominee/s) who falls within the category set out in Listing Rule 10.11.1 being a related party by virtue of being a Director;
- (b) the maximum number of Options to be issued is 100,000. The Options which will vest in accordance with the following milestones:
 - (i) 50,000 Options one year from issue; and
 - (ii) 50,000 Options two years from issue;
- (c) the options will be issued no later than 1 months 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 issue of the Options will occur on the same date;
- (d) the Options will be issued on the terms and conditions set out in Annexure A;
- (e) no funds will be raised from the issue as the Options as the Options as the Options are being issued for nil cash consideration;
- (f) the current total remuneration package for Mr David Byrne is \$219,000, comprising of salary of \$200,000 and a superannuation payment of \$19,000. If the Options are issued, the total remuneration package of Mr David Byrne will increase by \$103,302 to \$322,302, being the value of the Options (based on the Black Scholes methodology); and
- (g) the Options are not being issued under an agreement.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of options the subject of resolution 6 as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the options will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

9. Resolution 7 – Approval to issue Options to Mr Mark Deuter

General

Resolution 7 seeks Shareholder approval for the issue of up to 100,000 options to Mr Deuter (or his nominee).

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,
- (c) 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 options constitutes giving a financial benefit to Mr Deuter whom is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Deuter who has a material personal interest in Resolution 7) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Options because the agreement to issue the Options, reached as part of the remuneration package for Mr Deuter (or his nominee) is considered reasonable remuneration and was negotiated on an arm's length basis on the same terms as options issued to employees in the Share Option Plan announced by the Company on 8 May 2020.

ASX Listing Rule 10.11

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:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders, unless it obtains the approval of its shareholders

Technical information required by Listing Rule 14.1A

If Resolution 7 is passed, the Company will be able to proceed with the issue of the Options to Mr Deuter within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Options (because approval is being obtained under Listing Rule 10.11), the issue of the Options will not use up any of the Company's 15% annual placement capacity

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of the Options.

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 Resolution 7:

- (a) the options will be issued to Mr Mark Deuter (or his nominee/s) who falls within the category set out in Listing Rule 10.11.1 being a related party by virtue of being a Director;
- (b) the maximum number of Options to be issued is 100,000. The Options which will vest in accordance with the following milestones:
 - (i) 50,000 Options one year from issue; and
 - (ii) 50,000 Options two years from issue; and
- (c) the options will be issued no later than 1 months 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 issue of the Options will occur on the same date;
- (d) the Options will be issued on the terms and conditions set out in Annexure A;
- (e) no funds will be raised from the issue as the Options as the Options are being issued for nil cash consideration;
- (f) the current total remuneration package for Mr Deuter is \$262,800, comprising of salary of \$240,000 and a superannuation payment of \$22,800. If the Options are issued, the total remuneration package of Mr Deuter will increase by \$103,302 to \$366,102, being the value of the Options (based on the Black Scholes methodology);
- (g) the Options are not being issued under an agreement.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of options the subject of resolution 7 as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the options will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

10. Resolution 8 – Ratification of Prior Issue of Options

General

As announced by the Company on 8 May 2020, the Company agreed to issue a total of 2,255,000 unlisted options to 94 of its employees under the Company's Employee Share Option Plan (Share Option Plan) (Employee Options). As set out in Section 6 above, the Share Option Plan had not previously been approved by Shareholders. Accordingly, the Company has not issued the Options under the Share Option Plan in reliance on Listing Rule 7 (exception 13(b)), however, the Company issued the Employee Options under the Share Option Plan pursuant to its placement capacity under Listing Rule 7.1.

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 12 month period.

The issue of the Employee Options does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Employee Options.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Employee Options.

Resolution 8 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Employee Options.

Technical information required by Listing Rule 14.1A

If Resolution 8 is passed, the Employee Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Employee Options.

If Resolution 8 is not passed, the Employee Options will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Employee Options.

Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 8:

- (a) the Employee Options were issued to Employees of the Company;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 2,255,000 Employee Options were issued and the Employee Options were issued on the terms and conditions set out in Annexure A;
- (d) the Employee Options were issued on 5 May 2020;
- (e) the Employee Options were issued at a nil issue price, as a performance linked incentive. The Company has not and will not receive any other consideration for the issue of the Employee Options (other than in respect of funds received on exercise of the Employee options);
- (f) the purpose of the issue of the Employee Options was to satisfy the Company's obligations under the Share Option Plan; and
- (g) the Employee Options were issued to Employees under the Share Option Plan. A summary of the material terms of the Share Option Plan is set out in Section 6 of this Notice

11. Resolution 9 – Amendment of Constitution

General

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

Resolution 8 is a special resolution which will enable the Company to amend its existing Constitution (**Amended Constitution**) to ensure it reflects the changes to the ASX Listing Rules which took place in December 2019.

The amendments to the existing constitution are summarised below:

Restricted Securities (clause 13)

The Amended Constitution complies with the recent changes to Listing Rule 15.12 which took effect from 1 December 2019. Under this change, ASX requires certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX permits the Company to issue restriction notices to holders of restricted securities in the form of the new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

Fee for Registration (clause 24)

On 24 January 2011, ASX amended Listing Rule 8.14 with the effect that the Company may now charge a “reasonable fee” for registering paper-based transfers, sometimes referred to “off-market transfers”.

Clause 24 of the Amended Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

A copy of the Amended Constitution is available for review by Shareholders at the office of the Company. A copy of the Amended Constitution can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

For personal use only

Glossary

In this Notice of Annual General Meeting and Explanatory Statement the following terms have the following meaning unless the context otherwise requires:

\$ means Australian dollars.

AEDT means Australian Eastern Daylight Time.

Annual General Meeting means the annual general meeting of the Company the subject of the Notice of Annual General Meeting.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules or **Listing Rule** means the official listing rules of ASX.

Auditor means the auditor of the Company, Grant Thornton.

Board means the board of Directors.

Chairperson means the person appointed to chair the Annual General 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).

Company means Aerometrex Ltd (ACN 153 103 925).

Constitution means the Company's constitution.

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

Director means a director of the Company and **Directors** has a corresponding meaning.

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

Explanatory Statement means the explanatory statement to this Notice of Annual General Meeting.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Notice or **Notice of Annual General Meeting** means the notice of Annual General Meeting.

Option means an option to acquire a Share.

Proxy Form means the proxy form **attached** to the Notice of Annual General Meeting.

Remuneration Report means that section of the Directors' Report under the heading "Remuneration Report" set out in the Company's annual report for the year ended 30 June 2020.

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

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

Shareholder means a shareholder of the Company.

ANNEXURE A - TERMS OF OPTIONS

The Company intends to grant a total of 100,000 Options to each Director; Dr Peter Foster, Mr David Byrne and Mr Mark Deuter (total 300,000 options) on the following terms and conditions:

1. Entitlement

Each Option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company (Share) upon exercise of the Option. The Options are for nil consideration per option.

2. Issue Date

Within one month from shareholder approval.

3. Exercise Price and Expiry Date

The Options have an exercise price of \$1.25 and an expiry date of 5:00 pm (Adelaide time) of 5 May 2023 (Expiry Date).

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

4. Vesting Period

The Options granted will be subject vesting conditions as follows;

	One year vesting 5 May 2021 50%	Two year vesting 5 May 2022 50%
Dr Peter Foster	50,000	50,000
Mr David Byrne	50,000	50,000
Mr Mark Deuter	50,000	50,000

5. Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date. Options subject to vesting conditions are exercisable at any time from vesting until on or prior to the Expiry Date.

6. Quotation of the Options

The Options will be unquoted.

7. Transferability of the Options

The Options are not transferable unless prior written approval is received from the Board.

8. Notice of Exercise

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

Any Notice of Exercise of an Option received by an Option holder will be deemed to be a notice of the exercise of that Option as at the date of receipt.

9. Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's Registry.

10. Shares Issued on Exercise

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

11. Quotation of Shares on Exercise

Application will be made by the Company to ASX, on the Business Day the Shares are issued, for quotation of the Shares issued upon the exercise of the Options.

12. Timing of Issue of Shares

- (a) Subject to paragraph (b) below, within 3 Business Days after receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Advisor and Director Option being exercised, the Company must:
- (i) issue the Shares pursuant to the exercise of the Options;
 - (ii) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (iii) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Director Options.
- (b) If the Company is not then permitted to issue a cleansing notice under section 708A(5)(e) of the Corporations Act, the Company must either:
- (i) issue a prospectus on the date that the Shares are issued under paragraph (a) above (In which case the date for issuing those Shares may be extended to not more than 25 Business Days after the receipt of the Exercise Notice, to allow the Company time to prepare that prospectus); or
 - (ii) issue a prospectus before the date that the Shares are issued under paragraph (a) above, provided that offers under that prospectus must still be open for acceptance on the date those Shares are issued,

in accordance with the requirements of section 708A(11) of the Corporations Act.

13. Participation in New Issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 3 Business Days after the issue is announced. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

14. Adjustment for Bonus Issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

15. Adjustment for Entitlements Issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue, to which paragraph 14 will apply) there will be no adjustment of the Exercise Price of an Option or the number of Shares over which the Options are exercisable.

16. Adjustments for Reorganisation

If there is any reorganisation of the issued share capital of the Company, the rights of the Option holders will be varied in accordance with the ASX Listing Rules

ANNEXURE B - NOMINATION OF AUDITOR LETTER

22 September 2020

Aerometrex Limited
51-53 Glynburn Road,
Glynde SA 5070

I, Kaitlin Smith being a member of Aerometrex Limited (Company), nominate Grant Thornton Audit Pty Ltd in accordance with section 328B(1) of the Corporations Act 2001 (Cth) (Act) to fill the office of auditor of the Company.

Please distribute copies of this notice of this nomination as required by section 328B(3) of the Act.

Signed and dated 22 September 2020:



Kaitlin Smith
Shareholder

For personal use only

For personal use only

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Aerometrex Limited



Aerometrex Limited
ABN 94 153 103 925

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (Adelaide time) Monday 2 November 2020**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

Joint Holding: Where the holding is in more than one name, all of the securityholders 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 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 also 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. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Due to the continuing developments in relation to the COVID-19 pandemic, the meeting will be held virtually via an online platform at <https://web.lumiagm.com> with meeting ID 324-135-865

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

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For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Aerometrex Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and 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 Aerometrex Limited to be held at virtually at <https://web.lumiagm.com> with meeting ID 324-135-865 on Wednesday, 4 November 2020 at 11:00am (Adelaide time) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Items 1,4,5,6 and 7** (except where I/we have indicated a different voting intention below) even though **Items 1,4,5,6 and 7** connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Items 1,4,5,6 and 7** by marking the appropriate box in step 2 below.

STEP 2 Items of Business

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

Ordinary Business

	For	Against	Abstain
1. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Appointment of Auditor at First AGM	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-Election of Director – Dr Peter Foster	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Special Business

	For	Against	Abstain
4. Approval of Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval to Issue of Options to Dr Peter Foster	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approval to Issue of Options to Mr David Byrne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Approval to Issue of Options to Mr Mark Deuter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Ratification of Prior Issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Amendment to Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /