



WESTSTAR INDUSTRIAL LIMITED

ACN 119 047 693

NOTICE OF ANNUAL GENERAL MEETING

TIME: 9.30 am (WST)
DATE: 30 November 2020
PLACE: 642 Newcastle Street, Leederville WA

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

For personal use only

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

The Annual General Meeting of the Shareholders of WestStar Industrial Limited which this Notice of Annual General Meeting relates to, will be held at 9:30 am (WST) on 30 November 2020 at:

642 Newcastle Street, Leederville, WA

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm (WST) on 28 November 2020.

VOTING IN PERSON

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

VOTING BY PROXY OR CORPORATE REPRESENTATIVE

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, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member 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.

Sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Meeting. Broadly, the changes mean that:

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

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250B(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Lodgement of proxies

The proxy form (and other power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney of other authority) must be deposited at or posted to, the Share Registry at the below address or sent by facsimile to the Company on +61 8 9381 2330 not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy proposes to vote.

<u>Delivery Address</u>	<u>Postal Address</u>
Automic Registry Services Level 5, 126 Phillip Street Sydney NSW 2000	Automic Registry Services GPO Box 5193 Sydney NSW 2001

A proxy form is attached to this notice

Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company share registry.

BUSINESS OF THE MEETING

AGENDA

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

"That for the purposes of section 250R(2) of the Corporations Act, and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2020."

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..

2. RESOLUTION 2 – RE-ELECTION OF A DIRECTOR – MR LAY ANN ONG

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

"That, Mr Lay Ann Ong, who retires in accordance with the company's Constitution, Listing Rule 14.4 and for all other purposes, being eligible and offering himself for re-election, is re-elected as a Director."

3. RESOLUTION 3 – APPROVAL OF 7.1A MANDATE

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 up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."

4. RESOLUTION 4: INCREASE IN NON EXECUTIVE DIRECTORS' FEE POOL

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

That for the purposes of ASX Listing Rule 10.17 and Clause 90.1 of the Company's Constitution, the maximum aggregate amount of directors' fees that may be paid to the Company's Non-Executive Directors per annum is increased by \$200,000, from \$300,000 per annum to \$500,000 per annum.

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:

- (c) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (d) 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:

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (d) the voter is the Chair and the appointment of the Chair as proxy:
 - (iii) does not specify the way the proxy is to vote on this Resolution; and
 - (iv) 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..

5. RESOLUTION 5 – ADOPTION OF PERFORMANCE RIGHTS PLAN

To consider and, if thought fit, to 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 be given for the Company to adopt an employee incentive plan, being the "WestStar Performance Rights Plan", and for the issue of securities under that employee incentive scheme, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this 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, the entity need not disregard a vote if: it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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.

6. RESOLUTION 6: GRANT OF PERFORMANCE RIGHTS TO RELATED PARTY – MR PHILIP RE

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

"That, subject to the passing of Resolution 4 and 5, for the purposes of section 195(4) and section 208 of the Corporations Act and ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to grant up to 15,000,000 Performance Rights to Mr Philip Re

(or his nominee) under the Plan, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Philip Re (or his nominee)) or an associate of that person or those persons.. However, the entity need not disregard a vote if: it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition Statement: In accordance with section 224 of the Corporations Act, a vote on this Resolution must 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 to be given, or an associate of such a related party (**Resolution 6 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 6 Excluded Party.

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.

Provided the Chair is not a Resolution 6 Excluded 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 7: GRANT OF PERFORMANCE RIGHTS TO RELATED PARTY – MR BERT MONDELLO

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

"That, subject to the passing of Resolution 4 and 5, for the purposes of section 195(4) and section 208 of the Corporations Act and ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to grant up to 15,000,000 Performance Rights to Mr Bert Mondello (or his nominee) under the Plan, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Bert Mondello (or his nominee)) or an associate of that person or those persons. However, the entity need not disregard a vote if: it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition Statement: In accordance with section 224 of the Corporations Act, a vote on this Resolution must 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 to be given, or an associate of such a related party (**Resolution 7 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 7 Excluded Party.

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.

Provided the Chair is not a Resolution 7 Excluded 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.

8. RESOLUTION 8: GRANT OF PERFORMANCE RIGHTS TO RELATED PARTY – MR LAY ANN ONG

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

"That, subject to the passing of Resolutions 4 and 5, for the purposes of section 195(4) and section 208 of the Corporations Act and ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to grant up to 15,000,000 Performance Rights to Mr Lay Ann Ong (or his nominee) under the Plan, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Lay Ann Ong (or his nominee)) or an associate of that person or those persons.. However, the entity need not disregard a vote if: it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition Statement: In accordance with section 224 of the Corporations Act, a vote on this Resolution must 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 to be given, or an associate of such a related party (**Resolution 8 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 8 Excluded Party.

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.

Provided the Chair is not a Resolution 8 Excluded 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

DATED: 28 October 2020

BY ORDER OF THE BOARD

**DEREK HALL
COMPANY SECRETARY
WESTSTAR INDUSTRIAL LIMITED**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at 642 Newcastle Street, Leederville, Western Australia at 9:30 am (WST) on 30 November 2020.

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

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial period ended 30 June 2020 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

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

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

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

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

Under changes to the Corporations Act which came into effect on 1 July 2011, 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 previous 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 Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR LAY ANN ONG

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Lay Ann Ong, who has served as a Director since 10 September 2015, and was last re-elected on 30 November 2018, retires by rotation and seeks re-election.

Mr Lay Ann Ong is an experienced entrepreneur and executive, having held senior executive positions with both public and private companies globally over the last 18 years. Mr Ong has interests in various listed and unlisted companies in the property development, technology, commodities, energy, construction, and food and beverage sector in South East Asia and Australia. Mr Ong has held Chairman and director positions within the WestStar Industrial Limited Group and is also director of ISDN Investments a wholly owned subsidiary of ISDN Holdings Limited, a company listed on the SGX. Mr Ong holds a degree in Law from University of Manchester and a Master's in Business Administration from Manchester Business School.

If re-elected the Board does not consider Mr Lay Ann Ong will be an independent Director.

The Board has reviewed Mr Lay Ann Ong's performance since his appointment to the Board and considers that Mr Lay Ann Ong's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Mr Lay Ann Ong and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – APPROVAL OF 7.1A MANDATE

4.1 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.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is not included in the S&P/ASX 300 Index and has a market capitalisation of ~\$17,600,000 and therefore an eligible entity for these purposes.

Resolution 3 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 3 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 3 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

4.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution:

(a) Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) Minimum Price

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 4.2(b)9(i), the date on which the Equity Securities are issued.

(c) **Use of funds raised under the 7.1A Mandate**

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for the acquisition of new assets and investments in the building, construction and mining services industries (including expenses associated with such an acquisition), servicing new contracts and related bank and performance guarantees and general working capital.

(d) **Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue as at 8 October 2020.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Dilution		
			Issue Price		
			\$0.009	\$0.018	\$0.027
			50% decrease	Issue Price	50% increase
Funds Raised					
Current	981,173,549 Shares	98,117,355 Shares	\$883,056	\$1,766,112	\$2,649,168
50% increase	1,471,760,324 Shares	147,176,032 Shares	\$1,324,584	\$2,649,169	\$3,973,753
100% increase	1,962,347,098 Shares	196,234,710 Shares	\$1,766,112	\$3,532,225	\$5,298,337

*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 981,173,549 Shares on issue as at the date of this Notice.
2. The issue price set out above is the closing price of Shares on ASX on 8 October 2020, being \$0.018.
3. WestStar issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. 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 Listing Rule 7.1 unless otherwise disclosed.
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%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

1. the market price for Shares may be significantly lower on the issue date than on the date of the Meeting; and
2. Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

1. the purpose of the issue;
2. alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
3. the effect of the issue of the Equity Securities on the control of the Company;
4. the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
5. prevailing market conditions; and
6. advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 29 November 2019 (**Previous Approval**).

During the 12-month period preceding the date of the Meeting, being on and from 30 November 2019, the Company has not issued any Equity Securities pursuant to the Previous Approval.

4.3 **Voting Exclusion**

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

5. **RESOLUTION 4 – INCREASE IN NON EXECUTIVE DIRECTORS' FEE POOL**

5.1 **General**

Under rule Clause 90.1 of the Constitution and in accordance with Listing Rule 10.17, the maximum aggregate amount payable as remuneration to Non-Executive Directors in any financial year may not exceed an amount determined by shareholders from time to time in general meeting (Fee Pool). The current Fee Pool of \$300,000 has not increased for five years, having been approved by Shareholders at an Annual General Meeting held on 30 November 2015.

Shareholder approval is sought to increase the maximum aggregate amount of directors' fees per annum that may be paid by the Company to its Non-Executive Directors ("Fee Pool") by \$200,000, from \$300,000 per annum to \$500,000 per annum.

The Directors are seeking Shareholder approval to increase the Fee Pool for the following reasons:

- to ensure that the Fee Pool can accommodate payment of fees to any additional non-executive directors appointed to the Board, if and when required;
- to enable the Company to maintain remuneration arrangements that are market-competitive, so it can attract and retain high calibre individuals as non-executive directors; and
- to provide for Non-Executive Directors' fees to grow in the future to reflect market trends.

The level of Non-Executive Directors' remuneration is reviewed annually to ensure alignment with the market. The Directors are satisfied that the proposed Fee Pool will be within the average bands applying to companies within the Company's industry that are of similar size, profitability, growth and risk profiles and that the proposed increase is appropriate for the reasons set out above.

Although an increase in the Fee Pool is being sought, it does not imply that the full amount will be used. Also, it is emphasised that the Fee Pool is a maximum annual limit and does not indicate that fees will necessarily be increased accordingly to that limit. Additional information regarding the remuneration paid to each Non-Executive Director for the financial year ended 30 June 2020, and the Company's approach to the remuneration of Non-Executive Directors, is set out in the Remuneration Report.

5.2 **Technical information required by Listing Rule 10.17**

Under the ASX Listing Rules, the term "directors' fees" includes committee fees, superannuation contributions and fees which a director sacrifices for other benefits, but does not include reimbursement of genuine out-

of-pocket expenses, genuine "special exertion" fees or securities issued to Non-Executive Directors with approval of Shareholders in accordance with the ASX Listing Rules.

Details of securities issued to Non-Executive Directors under Listing Rules 10.11 or 10.14 with Shareholder approval within the last three years is as follows:

Director	Details of securities	Issue date(s)
Mr Philip Re	2,649,861 WSI Shares issued in lieu of directors' fees as approved by Shareholders on 6 August 2020.	25 August 2020
Mr Bert Mondello	3,268,571 WSI Shares issued in lieu of directors' fees as approved by Shareholders on 6 August 2020.	25 August 2020
Mr Lay Ann Ong	3,200,000 WSI Shares issued in lieu of directors' fees as approved by Shareholders on 6 August 2020.	25 August 2020

A voting exclusion statement is included in the Notice.

6. RESOLUTION 5 – ADOPTION OF PERFORMANCE RIGHTS PLAN

6.1 General

Resolution 5 seeks Shareholder approval to adopt an employee incentive plan entitled the "WestStar Performance Rights Plan" (**Performance Rights Plan**) and for the issue of Performance Rights under the Performance Rights Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Performance Rights Plan is to attract, motivate and retain key employees and the Company considers that the adoption of the Performance Rights Plan and the future issue of Performance Rights under the Performance Rights Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

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 shares it had on issue at the start of that period.

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 5 is passed, the Company will be able to issue Performance Rights under the Performance Rights Plan to eligible participants over a period of 3 years. The issue of any Performance Rights to eligible participants under the Performance Rights Plan (up to the maximum number of Performance Rights stated in Section 6.2(c) **Error! Reference source not found.** below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of Performance Rights under the 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.

If Resolution 5 is not passed, the Company will be able to proceed with the issue of Performance Rights under the Performance Rights Plan to eligible participants, but any issues of Performance Rights 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 Performance Rights.

6.2 Technical information required by Listing Rule 7.2 (Exception 13)

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 5:

- (a) a summary of the key terms and conditions of the Performance Rights Plan is set out in Schedule A;
- (b) the Company has not issued any Performance Rights under the Performance Rights Plan as this is the first time that Shareholder approval is being sought for the adoption of the Performance Rights Plan;

- (c) the Company will not make an invitation under the Performance Rights Plan if the number of Shares that may be issued, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan, will exceed 15% of the total number of Shares at the date of the this Notice of Meeting i.e. 981,173,549 of which 15% is 147,176,032.

7. RESOLUTIONS 6, 7, AND 8: GRANT OF PERFORMANCE RIGHTS TO DIRECTORS: MR PHILIP RE, MR BERT MONDELLO AND MR LAY ANN ONG

7.1 Background

The Company has agreed, subject to obtaining Shareholder approval and to the adoption of the Increased Director Fee Pool and the Performance Rights Plan (refer Resolutions 4 and 5), to issue up to 45,000,000 Performance Rights to Mr Philip Re, Mr Bert Mondello and Mr Lay Ann Ong (or their nominees) (**Related Parties**) pursuant to the Performance Rights Plan (**Performance Rights Plan**) and on the terms and conditions set out below (**Performance Rights**).

The Performance Rights are proposed to be issued as follows:

- (a) 5,000,000 tranche 1 Performance Rights to each of Mr Philip Re, Mr Bert Mondello and Mr Lay Ann Ong (or their nominees) (**Tranche 1 Performance Rights**); and
- (b) 5,000,000 tranche 2 Performance Rights to each of Mr Philip Re, Mr Bert Mondello and Mr Lay Ann Ong (or their nominees) (**Tranche 2 Performance Rights**); and
- (c) 5,000,000 tranche 3 Performance Rights to each of Mr Philip Re, Mr Bert Mondello and Mr Lay Ann Ong (or their nominees) (**Tranche 3 Performance Rights**),

on the terms and conditions set out below.

Under the terms of the Tranche 1 Performance Rights:

1. 5,000,000 Tranche 1 Performance Rights will be granted to each of Mr Philip Re, Mr Bert Mondello and Mr Lay Ann Ong upon receipt of Shareholder approval; and
2. all of the Tranche 1 Performance Rights will vest on the date that the Company's market capitalisation exceeds \$30 million for a period of ten (10) trading days.

Under the terms of the Tranche 2 Performance Rights:

1. 5,000,000 Tranche 2 Performance Rights will be granted to each of Mr Philip Re, Mr Bert Mondello and Mr Lay Ann Ong upon receipt of Shareholder approval; and
2. all of the Tranche 2 Performance Rights will vest on the date that the Company's market capitalisation exceeds \$35 million for a period of ten (10) trading days.

Under the terms of the Tranche 3 Performance Rights:

1. 5,000,000 Tranche 3 Performance Rights will be granted to each of Mr Philip Re, Mr Bert Mondello and Mr Lay Ann Ong upon receipt of Shareholder approval; and
2. all of the Tranche 3 Performance Rights will vest on the date that the Company's market capitalisation exceeds \$40 million for a period of ten (10) trading days.

7.2 Chapter 2E of the Corporations Act and ASX Listing Rule 10.14

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 Performance Rights pursuant to the Plan constitutes giving a financial benefit and Mr Philip Re, Mr Bert Mondello and Mr Lay Ann Ong are related parties of the Company by virtue of being Directors.

As the Performance Rights are proposed to be issued to all of the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Performance Rights. Accordingly, Shareholder approval for the issue of Performance Rights to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- 10.14.1 a director of the entity;
- 10.14.2 an associate of a director of the entity; or

- 10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Performance Rights to the Related Parties falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 6 to 8 seek the required Shareholder approval for the issue of the Performance Rights under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14. Resolutions 6 to 8 are ordinary resolutions.

7.3 Technical information required by Listing Rule 14.1A

If Resolutions 6 to 8 are passed, the Company will be able to proceed with the issue of the Performance Rights to the Related Parties under the Performance Rights Plan within three years 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 Performance Rights (because approval is being obtained under Listing Rule 10.14), the issue of the Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolutions 6 to 8 are not passed, the Company will not be able to proceed with the issue of the Performance Rights to the Related Parties under the Performance Rights Plan.

7.4 Technical information required by ASX Listing Rule 10.15 and section 219 of the Corporations Act

The following information is provided to Shareholders for the purposes of ASX Listing Rule 10.15 and section 219 of the Corporations Act:

- (a) The maximum number of Securities to be issued pursuant to Resolutions 6 to 8 is 45,000,000 Performance Rights comprising:
- (i) Resolution 6 - A total of 15,000,000 Performance Rights to Mr Philip Re (or his nominee) comprising:
 - 5,000,000 Tranche 1 Performance Rights;
 - 5,000,000 Tranche 2 Performance Rights; and
 - 5,000,000 Tranche 3 Performance Rights,
 - (ii) Resolution 7 - A total of 15,000,000 Performance Rights to Mr Bert Mondello (or his nominee) comprising:
 - 5,000,000 Tranche 1 Performance Rights;
 - 5,000,000 Tranche 2 Performance Rights; and
 - 5,000,000 Tranche 3 Performance Rights,
 - (iii) Resolution 8 - A total of 15,000,000 Performance Rights to Mr Lay Ann Ong (or his nominee) comprising:
 - 5,000,000 Tranche 1 Performance Rights;
 - 5,000,000 Tranche 2 Performance Rights; and
 - 5,000,000 Tranche 3 Performance Rights,

each of whom falls within the category set out in Listing Rule 10.14.1 by virtue of being a Director.

- (b) The vesting conditions and expiry dates of the Performance Rights to be granted under the Plan are set out in Section 7.1. The Performance Rights will otherwise be issued on the terms of the Performance Rights Plan, as set out in Schedule A.
- (c) The Performance Rights are unquoted securities. The Company has chosen to issue Performance Rights to the Related Parties for the following reasons:
- (i) the Performance Rights are unquoted; therefore, the issue of the Performance Rights has no immediate dilutionary impact on Shareholders;
 - (ii) the milestones attaching to the Performance Rights will align the interests of the Related Parties with those of Shareholders;
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights on the terms proposed.

- (d) The number of Performance Rights to be issued to each of the Related Parties has been determined based upon a consideration of:
- (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the remuneration of the Related Parties; and
 - (iii) incentives to attract and retain the service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights upon the terms proposed.

- (e) The total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Philip Re ¹	\$132,345	\$85,410
Bert Mondello ²	\$132,345	\$85,410
Lay Ann Ong ³	\$94,935	\$48,000

Notes:

1. Comprising Directors' fees of \$78,000, a superannuation payment of \$7,410 and share-based payments of \$46,935 (being the value of the Performance Rights).
 2. Comprising Directors' fees of \$78,000, a superannuation payment of \$7,410 and share-based payments of \$46,935 (being the value of the Performance Rights).
 3. Comprising Directors' fees of \$48,000 and share-based payments of \$46,935 (being the value of the Performance Rights).
- (f) The value of the Performance Rights and the pricing methodology is set out in Schedule B.
- (g) The issue price of the Performance Rights will be nil, as such no funds will be raised from the issue of the Performance Rights.
- (h) The purpose of the issue of the Performance Rights is to provide a performance linked incentive component in the remuneration package for the Related Parties to align the interests of the Related Parties with those of Shareholders, to motivate and reward the performance of the Related Parties in their roles as Directors and to provide a cost effective way from the Company to remunerate the Related Parties, which 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 to the Related Parties.

- (i) No loans are being made to the Related Parties in connection with the acquisition of the Performance Rights.
- (j) Details of any Performance Rights issued under the Performance Rights Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (k) No Performance Rights have previously been issued under the Performance Rights Plan, nor has the Performance Rights Plan previously been adopted by Shareholders.
- (l) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Performance Rights Plan after Resolution 5 is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.
- (m) The relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares	Options
Philip Re	3,452,537	-
Bert Mondello	3,268,571	-
Lay Ann Ong	77,543,686	-

- (n) If the milestones attaching to the Performance Rights issued to the Related Parties are met and the Performance Rights are converted, a total of 45,000,000 Shares would be issued. This will increase the number of Shares on issue from 981,173,549 (being the total number of Shares on issue as at the date of this Notice) to 1,026,173,549 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 4.38%, comprising 1.46% by Philip Re, 1.46% by Bert Mondello and 1.46% by Lay Ann Ong.
- (o) The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.028	29 October 2020
Lowest	\$0.0098	23 March 2020
Last	\$0.023	15 October 2020

- (p) The Company will grant the Performance Rights no later than 12 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that all of the Performance Rights will be granted on the same date.
- (q) each Director has a material personal interest in the outcome of Resolutions 6 to 8 on the basis that all of the Directors (or their nominees) are to be issued Performance Rights should Resolutions 6 to 8 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 6 to 8 of this Notice.
- (r) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 6 to 8 .
- (s) A voting exclusion statement is included in the Notice.

8. ENQUIRIES

Shareholders are required to contact the Company Secretary on +61 8 6380 2555 if they have any queries in respect of the matters set out in this Notice.

GLOSSARY

\$ means Australian dollars.

7.1A Mandate has the meaning given in Section 4.1.

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

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

Board means the board of directors of the Company.

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

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 or **WestStar** means WestStar Industrial Limited (ACN 119 047 693).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the current directors of the Company.

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

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2020.

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

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

Shareholder means a holder of a Share.

Spill Meeting has the meaning given in section 2.2 of the Explanatory Statement.

Spill Resolution has the meaning given in section 2.2 of the Explanatory Statement.

Variable A means "A" as set out in the formula in Listing Rule 7.1A.2.

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

SCHEDULE A – SUMMARY OF TERMS OF PERFORMANCE RIGHTS PLAN

The following is a summary of the key terms and conditions of the Performance Rights Plan to be adopted by Shareholders under Resolution 5:

- (a) Eligible Participants: Participants eligible to participate in the Performance Rights Plan include executive Directors, and full-time or part-time senior employees of the Company, or any of its subsidiaries, who are declared by the Board as eligible to receive grants of Performance Rights under the Performance Rights Plan (Eligible Participants).
- (b) Offer: The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant to apply for up to a specified number of Performance Rights, upon the terms set out in the Performance Rights Plan and upon such additional terms and conditions as the Board determines (**Offer**).
- (c) No Consideration: Performance Rights granted under the Performance Rights Plan will be issued for nil cash consideration.
- (d) Rights: each Performance Right issued under the Performance Rights Plan is a right to be issued with or transferred a Share, free of encumbrances.
- (e) Expiry Date: means the date on which a Performance Right lapses. Each Performance Right will expire on the date which is three years from the date of issue.
- (f) Vesting Conditions: the Board will determine the vesting conditions that must be satisfied by a participant before the Performance Right vests in the holder.
- (g) Vesting: a Performance Right will vest where the vesting conditions are satisfied or waived by the Board.
- (h) Exercise of Performance Right: A participant may exercise a Performance Right that is entitled to be exercised by lodging with the Company a notice of exercise of the Performance Right and the certificate for the Performance Right.
- (i) Waiver of Vesting Conditions: The Board may resolve to waive any of the vesting conditions applying to Performance Rights where:
- (i) a participant dies or has total and permanent disability;
 - (ii) a participant ceases to be employed by the Company or act as a Director;
 - (iii) participant suffers severe financial hardship;
 - (iv) the terminal illness of the participant or of an immediate family member of the participant; or
 - (v) a change of control occurring or the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
 - (vi) 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
 - (vii) the Company passes a resolution for voluntary winding up or an order is made for the compulsory winding up of the Company.
- (j) Lapse of Performance Rights: A Performance Right will lapse upon the earlier to occur of:
- (i) an unauthorised dealing in, or hedging of, the Performance Rights occurring;
 - (ii) a failure to meet the Vesting Conditions;
 - (iii) the Expiry Date;
 - (iv) the participant ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Performance Right;
 - (v) the participant ceasing to be an Eligible Participant;
 - (vi) the Company undergoes a change in control or a winding up resolution or order is made, and the Board does not exercise its discretion to vest the Performance Right;
 - (vii) a determination of the Board that the Performance Right is to lapse due to fraud or dishonesty; or
 - (viii) the day before the end of the 3 year anniversary of the date of grant of the Performance Rights.
- (k) Restrictions on Dealings and Hedging: A Performance Right granted under the Performance Rights Plan is only transferable, assignable or able to be otherwise disposed or encumbered with the consent of the Board, or by force of law upon death or bankruptcy of the Eligible Participant (or their nominee). An Eligible Participant must not enter into any arrangement for the purpose of hedging, or otherwise affecting their economic exposure, to their Performance Rights. The Performance Rights will immediately lapse if the Eligible Participant breaches this rule.
- (l) Share Restriction Period: Any Share acquired by an Eligible Participant (or their nominee) on the exercise of a Performance Right must not be disposed of, or dealt with in any way until the earlier of:
- (i) the Eligible Participant ceasing to be an Eligible Participant;
 - (ii) the Board approving the release of the restriction in relation to those Shares due to the Participant suffering severe financial hardship;
 - (iii) there is a change in control of the Company, or the Company passes a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company; or
 - (iv) the three year anniversary of the date of grant of the Performance Right (Restriction Period).
- (m) Quotation: The Company will not apply for quotation of the Performance Rights. If Shares of the same class as those issued under the Performance Rights Plan are listed on the ASX the Company will apply to the ASX within a reasonable time after they are issued for those Shares to be listed.
- (n) Participation Rights: Other than adjustments for bonus issues and reorganisation of the issued capital of the Company, participants are not entitled to participate in any new issue of securities of the Company as a result of their holding Performance Rights during the currency of any Performance Rights and prior to vesting. In addition, participants are not entitled to vote nor receive dividends as a result of their holding Performance Rights.
- (o) Reorganisation of capital: If there is a reorganisation (including, without limitation, consolidation, sub-division, reduction or return) of the issued capital of the Company, the rights of a holder will be varied, as appropriate, in accordance with the Listing Rules which apply to reorganisation of capital at the time of the reorganisation.

SCHEDULE B – VALUATION OF PERFORMANCE RIGHTS

The Performance Rights to be issued to the Related Parties pursuant to Resolutions 6 to 8 have been independently valued using the Black & Scholes model, and based on the assumptions set out below, the Performance Rights were ascribed the following value:

Item	
Value of the underlying Shares	\$0.021
Valuation date	28/10/2020
Commencement of performance/vesting period	20/10/2020
Performance measurement/vesting date	Various (refer section 7.1)
Expiry date	20/10/2023
Term of the Performance Right	3 years
Volatility (discount)	88.06%
Risk-free interest rate	0.14%
Total Value of Performance Rights	\$140,805
- Philip Re (Resolution 6)	\$46,935
- Bert Mondello (Resolution 7)	\$46,935
- Lay Ann Ong (Resolution 8)	\$46,935

Note: The valuation noted above is not necessarily the market price that the Performance Rights could be traded at and is not automatically the market price for taxation purposes.

Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **9.30am (WST) on Saturday, 28 November 2020**, 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/#/login>

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.



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