



**BOSS**  
ENERGY LTD

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**BOSS ENERGY LIMITED**

**ACN 116 834 336**

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**NOTICE OF ANNUAL GENERAL MEETING**

**The annual general meeting of the Company will be held at the Duxton Hotel Perth, 1 St Georges Terrace, Perth WA 6000 on Thursday, 24 November 2022 at 11.00am (AWST).**

*Shareholders may vote by directed proxy rather than attend the meeting in person. Proxy forms for the meeting should be lodged before 11.00am on Tuesday, 22 November 2022 (AWST).*

*Shareholders can also submit, and are encouraged to submit, any questions in advance of the Meeting by emailing the questions to the Company Secretary at [mathew@bossenergy.com](mailto:mathew@bossenergy.com) by no later than 11.00am on Tuesday, 22 November 2022 (AWST).*

*If the above arrangements with respect to the Meeting change, Shareholders will be updated via the ASX Market Announcements Platform.*

*This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

***Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on (08) 6263 4494***

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# BOSS ENERGY LIMITED

ACN 116 834 336

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of Boss Energy Limited (**Company**) will be held at the Duxton Hotel Perth, 1 St Georges Terrace, Perth WA 6000, on Thursday, 24 November 2022 at 11.00am (AWST) (**Meeting**).

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

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 as Shareholders on 4.00pm (AWST) at Tuesday, 22 November 2022.

The Company advises that a poll will be conducted for all Resolutions.

Terms and abbreviations used in this Notice (including the Explanatory Memorandum) are defined in Schedule 1.

## AGENDA

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### Annual Report

To consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2022, which includes the Financial Report, the Directors' Report and the Auditor's Report.

**Note:** There is no requirement for Shareholders to approve these reports. Pursuant to the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments in relation to, each of the aforementioned reports during consideration of these items.

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## 1 Resolution 1 – Remuneration Report

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

*'That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, approval is given by the Shareholders for the adoption of the Remuneration Report on the terms and conditions in the Explanatory Memorandum.'*

**Note:** The vote on this resolution is advisory only and does not bind the Directors or the Company. The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

### Voting Exclusion

*Corporations Act*

A vote on this Resolution must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

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

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## **2 Resolution 2 – Election of Ms Jan Honeyman as a Director**

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

*'That, pursuant to and in accordance with Listing Rule 14.4, article 6.3(j) of the Constitution and for all other purposes, Ms Jan Honeyman, Director, who was appointed as a Director on 21 February 2022, retires and being eligible pursuant to article 6.3(f) of the Constitution and offering herself for election, is elected as a Director on the terms and conditions in the Explanatory Memorandum.'*

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## **3 Resolution 3 – Re-election of Mr Wyatt Buck as a Director**

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

*'That, pursuant to and in accordance with article 6.3(c) of the Constitution and for all other purposes, Mr Wyatt Buck, Director, retires and being eligible pursuant to article 6.3(f) of the Constitution and offering himself for re-election, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.'*

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## **4 Resolution 4 – Issue of Performance Rights to Mr Duncan Craib under the Plan**

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

*'That, pursuant to and in accordance with Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the issue of 251,635 Performance Rights to Mr Duncan Craib (and/or his nominee) under the Plan, and any benefits under the grant of such Performance Rights (including the issue of Shares on the vesting of those Performance Rights) that may be given to Mr Craib (and/or his nominee) in connection with any future retirement from his office or employment with the Company, on the terms and conditions in the Explanatory Memorandum.'*

## Voting Exclusion

### *Listing Rules*

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan or an associate of that person or those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (a) 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
- (b) 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.

### *Corporations Act*

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

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

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## 5 Resolution 5 – Issue of Options to Ms Jan Honeyman under the Plan

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

*'That, pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 200,000 Options to Ms Jan Honeyman (and/or her nominee) under the Plan, and any benefits under the grant of such Options (including the issue of Shares on the exercise of those Options) that may be given to Ms Honeyman (and/or her nominee) in connection with any future retirement from her office or employment with the Company, on the terms and conditions in the Explanatory Memorandum.'*

## **Voting Exclusion**

### *Listing Rules*

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan or an associate of that person or those persons.

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

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

### *Corporations Act*

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

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

Dated: 20 October 2022

### **By order of the Board**

Mathew O'Hara

Company Secretary

## **EXPLANATORY MEMORANDUM**

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### **1 Introduction**

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting.

This Explanatory Memorandum should be read in conjunction with and forms part of the Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Annual Report
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 – Election of Ms Jan Honeyman as a Director
Section 6	Resolution 3 – Re-Election of Mr Wyatt Buck as a Director
Section 7	Resolution 4 – Issue of Performance Rights to Mr Duncan Craib under the Plan
Section 8	Resolution 5 – Issue of Options to Ms Jan Honeyman under the Plan
Schedule 1	Definitions
Schedule 2	Terms and Conditions of Director Rights
Schedule 3	Terms and Conditions of Director Options
Schedule 4	Summary of the Plan
Schedule 5	Valuation of Director Rights and Director Options

A Proxy Form is located at the end of this Explanatory Memorandum.

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### **2 Action to be taken by Shareholders**

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

The Company advises that a poll will be conducted for all Resolutions.

## 2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Returning the Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 11.00am (AWST) on Tuesday, 22 November 2022, being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

## 2.2 Voting Prohibition by Proxy holders (Remuneration of Key Management Personnel)

A vote on Resolutions 1, 4 and 5 must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on Resolutions 1, 4 and 5, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on Resolutions 1, 4 and 5; or
- (b) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on Resolutions 1, 4 and 5, but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

## 2.3 Attendance at Meeting

Shareholders may vote by directed proxy rather than attend the Meeting in person.

If it becomes necessary or appropriate to make alternative arrangements to those detailed in this Notice, Shareholders will be updated via the ASX announcements platform and on the Company's website at <https://www.bossenergy.com/>.

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# 3 Annual Report

In accordance with section 317(1) of the Corporations Act the Annual Report must be laid before the annual general meeting. There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at <https://www.bossenergy.com/>;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies of the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting to the Company Secretary of the Company at the Company's registered office.

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## 4 Resolution 1 – Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors of the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Shareholders will have the opportunity to remove the whole Board except the Managing Director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in Office at the date of approval of the applicable Directors' Report must stand for re-election.

Please note if the Remuneration Report receives a Strike at this Meeting and if a second Strike is received at the 2023 annual general meeting, this may result in the re-election of the Board.

The Chair will allow reasonable opportunity for Shareholders to ask questions about or comment on the Remuneration Report.

Resolution 1 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 1.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance



with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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## **5 Resolution 2 – Election of Ms Jan Honeyman as a Director**

### **5.1 General**

Resolution 2 seeks Shareholder approval, pursuant to and in accordance with Listing Rule 14.4, article 6.3(j) of the Constitution and for all other purposes, for the election of Ms Jan Honeyman as a Director.

In accordance with Listing Rule 14.4, a Director appointed as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company.

Article 6.2(b) allows the Directors to appoint a person as an addition to the Board at any time, subject to the limits on the number of Directors under the Constitution.

Article 6.3(i) and (j) of the Constitution provide that any Director so appointed may retire at the next general meeting of the Company, and otherwise, must retire at the next annual general meeting of the Company and is eligible for re-election at that meeting.

Ms Jan Honeyman was appointed as an addition to the Board on 21 February 2022. Resolution 2 provides that Ms Honeyman retires from Office and seeks election as a Director.

Details of Ms Honeyman's background and experience are detailed in the Annual Report.

Resolution 2 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 2.

### **5.2 Board recommendation**

The Board (other than Ms Jan Honeyman) recommends that Shareholders vote in favour of Resolution 2.

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## **6 Resolution 3 – Re-election of Mr Wyatt Buck as a Director**

### **6.1 General**

Resolution 3 seeks Shareholder approval, pursuant to and in accordance with article 6.3(c) of the Constitution and for all other purposes, for the re-election of Mr Wyatt Buck as a Director.

Article 6.3(c) of the Constitution requires that one-third of the Directors must retire at each annual general meeting (rounded down to the nearest whole number).

Article 6.3(e) of the Constitution provides that the Directors to retire at any annual general meeting must be those who have served the longest in Office since their last election, but, as between persons who became Directors on the same day, those to retire must be determined by lot (unless otherwise agreed upon between those Directors).

Article 6.3(f) of the Constitution provides that a Director who retires in accordance with article 6.3(c) of the Constitution is eligible for re-election.

Mr Buck was last elected as a Director at the annual general meeting held on 18 November 2020. In accordance with article 6.3(e) of the Constitution, as Mr Buck has held Office for the

longest period of time since his last election compared to the other Directors, Mr Buck will retire. Accordingly, Mr Buck retires at this Meeting and, being eligible, seeks re-election pursuant to Resolution 3.

Details of Mr Buck's experience and background are detailed in the Annual Report.

Resolution 3 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 3.

## 6.2 Board recommendation

The Board (other than Mr Wyatt Buck) recommends that Shareholders vote in favour of Resolution 3.

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# 7 Resolution 4 – Issue of Performance Rights to Mr Duncan Craib under the Plan

## 7.1 General

The Company has agreed to issue 251,635 Performance Rights to Mr Duncan Craib (and/or his nominee), Chief Executive Officer and Managing Director, as a long-term incentive (**LTI**) award for the financial year ended 30 June 2023 (**Director Rights**).

Details of the approach taken to calculate the number of Director Rights to be granted are set out below.

Subject to Shareholder approval, the grant of Director Rights will be made under the Plan. As the Director Rights form part of Mr Craib's remuneration, they will be granted at no cost to Mr Craib (and/or his nominee) and there will be no amount payable on vesting. Each Director Right will entitle Mr Craib (and/or his nominee) to receive one Share on vesting.

ASX Listing Rule 10.14 requires the Company to obtain Shareholder approval for the issue of Securities to a Director under an employee incentive scheme. If Shareholder approval is obtained, it is intended that the Director Rights will be granted to Mr Craib (and/or his nominee) in December 2022, and in any case within 12 months of the Meeting. If Shareholder approval is not obtained, the Board will consider alternative arrangements to appropriately remunerate and incentivise Mr Craib.

## 7.2 Overview of Managing Director remuneration arrangements

Mr Duncan Craib's remuneration arrangements are structured to encourage a long-term approach to decision making at a crucial time for the Company, ensuring a balance between achieving the remaining development phase imperatives and impending production targets for the Honeymoon mine. Following the Final Investment Decision in relation to the Honeymoon mine in June 2022, the Board has determined it is appropriate to transition to a contemporary remuneration structure for the Managing Director which reflects the size and operational complexity of an ASX300 commodity producer.

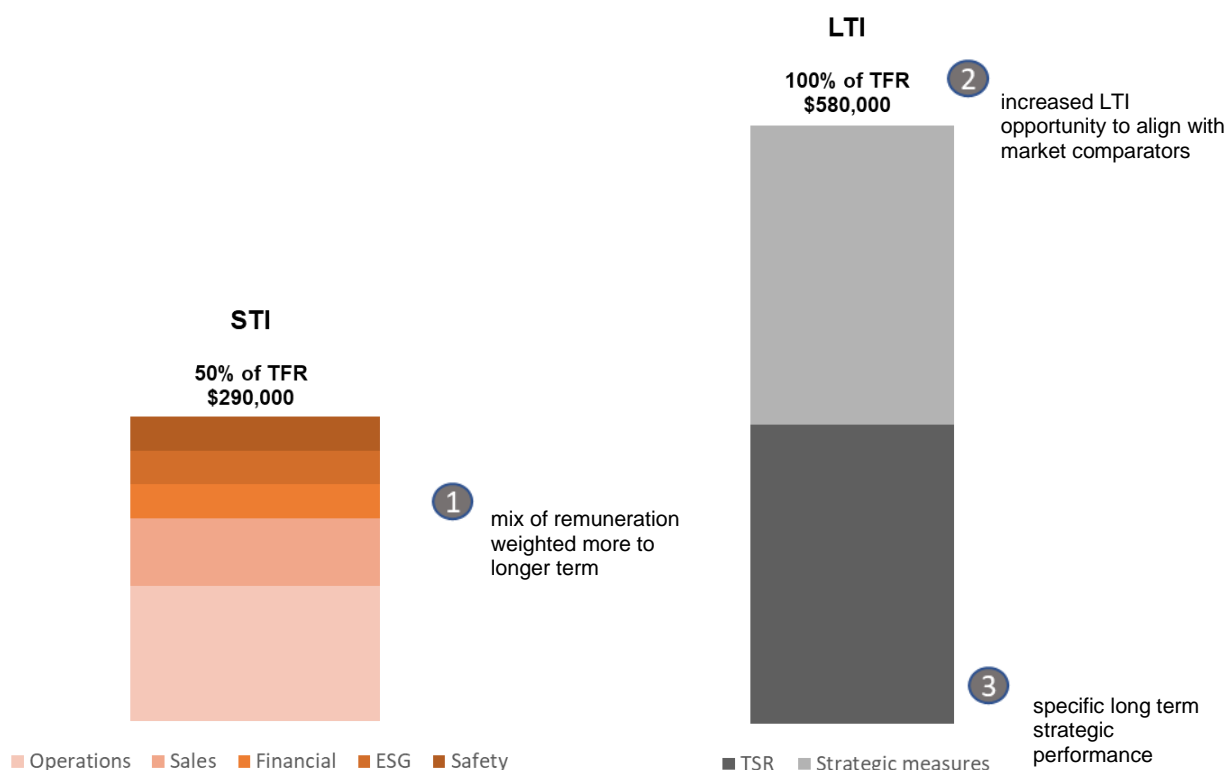
The 'at-risk' component of Mr Craib's remuneration comprises a short term incentive (**STI**) award and a LTI award that will only be paid if pre-determined performance hurdles are met.

Performance under Mr Craib's FY23 LTI award will be measured over a three-year period against hurdles linked to total shareholder returns (**TSR**) and long-term specific strategic measures (explained in more detail below). These hurdles will ensure that the awards received by Mr Craib reflect the Company's performance and the Shareholder experience over a prolonged time frame. Further details of Mr Craib's remuneration arrangements and how they are structured to support the Company's performance are set out in the Remuneration Report.

### 7.3 Changes to the Reward Framework for FY23

During the financial year ended 30 June 2022, with the support of an independent remuneration consultant, the Company undertook a review of its executive remuneration strategy which included the long-term incentive plan arrangements.

FY23 changes to how the LTI for the Managing Director is determined and measured and the interaction with the STI are illustrated below.



Note: Incentive opportunity based on total fixed remuneration (TFR) of \$580,000 for FY23.

Changes relating to the LTI for FY23 include:

- (a) mix of STI and LTI revised to ensure greater focus on the longer term reflecting the transition of the business as it moves toward production and better aligns with external market comparators. i.e., 40% fixed remuneration (i.e. annual salary), 20% STI and 40% LTI (a total of 60% “At Risk”);
- (b) increased the LTI opportunity to 100% of TFR (previously 87%) reflecting the emphasis to recognise the Managing Director for longer term performance outcomes creating shareholder value and alignment with external market comparators; and
- (c) long term measures comprising TSR and strategic milestones clearly aligning the MD reward to distinct LTI metrics being absolute share price growth, realising production outputs and extending the life of mine (strategic milestones).

More details on these changes are outlined below.

## 7.4 Key terms of the FY23 LTI award

### ***Quantum of award***

As part of the incentive review and design, a benchmarking exercise was undertaken whereby all components of Mr Craib's remuneration were independently assessed against a market comparator group to ensure fixed and variable remuneration appropriately incentivises Mr Craib whilst remaining relative to the relevant market.

The Remuneration Committee and Board applied the following criteria to determine a suitable comparator group;

- companies from the ASX Energy and Mining & Metals sector;
- 50% - 200% of the Company's average 12 months market capitalisation (\$644m as at 30 June 2022); and
- companies representative of the Company's current mining cycle (developer) and those who will be comparable in the near term (producers).

Having considered the outcomes of the external benchmarking and alignment to the Company's overall strategy and reward philosophy (targeting the median of the comparator group), the Board has set the total LTI opportunity for Mr Craib at 100 per cent of his TFR for FY23, or \$580,000 (i.e. \$580,000 x 100 per cent).

Consistent with prior year, the Company determines the number of securities to be granted by using the 5-day volume weighted average price (**VWAP**) of Shares traded on the ASX up to and including 30 June. The 5-day VWAP to 30 June 2022 was \$1.81, which would equate to Mr Craib (and/or his nominee) being issued 320,442 Director Rights. This number has been determined by dividing the LTI opportunity (i.e., \$580,000) by \$1.81.

However, due to a material movement between the 5-day VWAP to 30 June 2022 (\$1.81) and the current share price as at the date of this Notice, the Board felt it prudent to exercise its discretion and adopt the independent valuation provided by BDO Corporate Finance (WA) Pty Ltd at the valuation date of 10 October 2022, being \$2.07 (Tranche 1) and \$2.60 (Tranche 2 and 3). Refer to Schedule 5 for further details. Based on an LTI opportunity of 100% TFR (i.e., \$580,000), Shareholder approval is therefore being sought for Mr Craib (and/or his nominee) to be issued a total of 251,635 Director Rights (i.e., 125,817 Director Rights under Tranche 1, 62,909 Director Rights under Tranche 2, 62,909 Director Rights under Tranche 3).

These Director Rights represent the maximum number that may vest subject to the satisfaction of specific vesting conditions over the three-year period to 30 June 2025.

### ***Vesting conditions***

The Director Rights comprising Mr Craib's LTI award may vest at the end of a three-year performance period from 1 July 2022 to 30 June 2025, subject to continued service, performance and forfeiture conditions. Should these conditions be met, vesting would be expected to occur following the release of the Company's full year results for FY25 (i.e. in August 2025).

The FY23 LTI will be subject to testing against the following performance conditions:

#### **a. Absolute TSR**

50% of the Director Rights will be subject to the Company's growth in TSR over the three year performance period.

TSR measures the growth in the Company's Share price together with the value of any dividends during the period, assuming that all dividends are re-invested into new Shares.

The rationale for selecting TSR as an LTI measure is that it represents a quantitative assessment of performance over a sustained period, directly ties Mr Craib to returns received by Shareholders, and is a key indicator of the Company's performance over the period.

The percentage of Director Rights subject to the TSR condition to vest, if any, will be determined by reference to the compound annual growth rate (**CAGR**) of TSR over the performance period as follows:

<b>CAGR in TSR</b>	<b>Director Rights subject to TSR condition to vest</b>
Less than 10%	0%
10% - 15%	Straight line vesting between 50% and 100%
Above 15%	100%

#### ***b. Strategic Measures***

The Company has a two-pronged strategy for creating long term Shareholder value. This involves preparations for Honeymoon's re-start of production and cashflow, which will make the Company Australia's next uranium producer, and to grow Honeymoon's mineral resource and mine life through regional targets.

##### ***Production Milestones***

25% of the Director Rights will be subject to the achievement of the Company's production outcomes over the performance period.

In line with the Company's production targets, realisation of outcomes over the three-year performance period to 30 June 2025 include production and ramp up to 1.28Mlbs.

##### ***Life of Mine Extension***

25% of the Director Rights will be subject to achieving outcomes over the three-year performance which extend the Company's current 11-year Life of Mine (**LOM**).

The rationale for selecting LOM as an LTI measure is to further define the 2 known satellite deposits that sit outside the existing mining licence, which are yet to be incorporated in the Honeymoon mine's LOM. If these deposits prove to be economically viable the additional resource might further sustain the Honeymoon mine's production. The Company is planning to realise the LOM extension through various activities including:

- further definition of the mineral resources contained within the 2 satellite deposits of Jasons and Gould's Dam; and
- undertaking feasibility studies to assess the economic viability of the 2 satellite deposits of Jasons and Gould's Dam.

Vesting outcomes for each Strategic Measure will be determined by the Board following the end of the three-year performance period to 30 June 2025 using a scale between 0 per cent and 100 per cent vesting (for outstanding performance) for each measure. The Board's rationale in assessing performance and determining these vesting outcomes will be clearly articulated following the end of the performance period.

Note full vesting of Mr Craib's LTI award will only occur where the Company's:

- TSR significantly grows (i.e., above 15% each year for three-years, delivering value to Shareholders); and

- performance on the Strategic Measures, as assessed against defined criteria by the Board at the end of the performance period, has been outstanding.

There will be no re-testing if the performance conditions are not met. Any Director Rights that do not vest on testing will lapse.

Refer to Schedule 4 for a summary of the terms and conditions of the Plan.

## 7.5 Additional information

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

Mr Duncan Craib, who is the Managing Director and Chief Executive Officer, is a related party of the Company.

The Board has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the grant of Director Rights to Mr Craib (and/or his nominee) as the exception in section 211 of the Corporations Act applies. The grant of Director Rights (and/or his nominee) is considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act.

### *Listing Rule 10.14*

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

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

unless it obtains the shareholder approval.

The grant of Director Rights to Mr Duncan Craib (and/or his nominee) falls within 10.14.1 above and therefore requires the approval of Shareholders under Listing Rule 10.14.

If Resolution 4 is passed, the Company will be able to proceed with the grant of Director Rights to Mr Craib (and/or his nominee). Approval pursuant to Listing Rule 7.1 will not be required as approval is being obtained under Listing Rule 10.14 (Exception 14 under Listing Rule 7.1). Accordingly, the grant of Director Rights will not be included in the Company's 15% limit on issuing Equity Securities without Shareholder approval under Listing Rule 7.1.

If Resolution 4 is not passed, the Company will not be able to proceed with the grant of Director Rights to Mr Craib (and/or his nominee) and may need to consider other methods (such as cash payments) to remunerate and incentivise Mr Craib.

### *Specific information required by Listing Rule 10.15*

Information must be provided to Shareholders for the purposes of obtaining Shareholder approval as follows:

- (a) the Director Rights will be issued under the Plan to Mr Duncan Craib (and/or his nominee);
- (b) Mr Craib is a Director and therefore falls within Listing Rule 10.14.1. If the Director Rights are granted to a nominee of Mr Craib, the nominee will be an Associate of the Director and fall under Listing Rule 10.14.2;

- (c) the number of Director Rights to be issued to Mr Craib (and/or his nominee) is 251,635;
- (d) Mr Craib's current total remuneration package is \$580,000 per year inclusive of superannuation;
- (e) Mr Craib was previously issued:
- (i) 550,001 zero exercise price Options as follows:
- (A) 250,938 Options granted as short-term incentives, with a zero exercise price, vesting subject to satisfaction of various vesting conditions and expiring 30 June 2025; and
- (B) 299,063 Options granted as short-term incentives, with a zero exercise price, vesting subject to satisfaction of various vesting conditions and expiring 30 June 2026,
- under the Plan, pursuant to the approval of Shareholders at the Company's annual general meeting held on 24 November 2021; and
- (ii) 312,500 Shares under the Plan, pursuant to the approval of Shareholders at the Company's annual general meeting held on 18 November 2020;
- (f) the exercise price, vesting condition and vesting date of the Director Rights are as follows:

Tranche	Number	Exercise Price	Vesting Condition	Vesting Date
1	125,817	Nil	Absolute TSR	30 June 2025
2	62,909	Nil	Strategic Measure - LOM Extension	30 June 2025
3	62,909	Nil	Strategic Measure - Production Milestones	30 June 2025

- (g) the Director Rights to be issued to Mr Craib (and/or his nominee):
- (i) are subject to the material terms summarised in Schedule 2;
- (ii) are being issued to provide a cost effective and efficient form of remuneration as opposed to alternative forms of remuneration, such as the payment of additional cash compensation; and
- (iii) have been valued independently by BDO Corporate Finance (WA) Pty Ltd, as at the date of this Notice, as approximately \$580,000 with the valuation methodology and key assumptions for the Director Rights set out in Schedule 5;
- (h) the Director Rights will be granted no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (i) the Director Rights will have an issue price of nil as they will be issued as part of the remuneration package of Mr Craib;
- (j) a summary of the material terms of the Plan is provided in Schedule 4;

- (k) no loan will be provided to Mr Craib in relation to the grant of Director Rights;
- (l) details of any Securities issued under the Plan will be published in each 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;
- (m) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Securities under the Equity Incentive Plan after Resolution 4 is approved and who were not named in the Notice will not participate until approval is obtained under that Listing Rule;
- (n) a voting exclusion statement is included in the Notice for Resolution 4; and
- (o) other than the information above and otherwise set out in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 4.

*Information required for sections 200B and 200E of the Corporations Act*

Under sections 200B and 200E of the Corporations Act, the Company can only give a benefit to a member of Key Management Personnel in connection with retirement from office or employment in the Company with prior Shareholder approval or if any of a number of exceptions apply. Accelerated vesting or automatic vesting of share-based payments may in some cases be a benefit of this kind.

As a participant in the Plan, Mr Duncan Craib (and/or his nominee) may become entitled to accelerated vesting or automatic vesting of Director Rights if there is a change in control of the Company or if the Board exercises a discretion upon cessation of service. Approval is sought for Mr Craib (and/or his nominee) to be given any such benefit in connection with his retirement from office or employment with the Company.

The value of the benefit that might be given to Mr Craib (and/or his nominee) by the exercise of the Board's discretion under the Plan will depend on a number of factors. Accordingly, the precise value of the benefit cannot be ascertained at the present time. Apart from the future Share price being unknown, the following matters which will or are likely to affect the value of the benefits are also unknown:

- (a) the number of Director Rights held by Mr Craib (and/or his nominee) prior to the cessation of his employment;
- (b) reasons for the cessation of employment and Mr Craib's length of service;
- (c) the term of the Director Rights remaining;
- (d) the extent to which any vesting conditions or other performance or exercise hurdles have been satisfied; and
- (e) the exercise of the Board's discretion at the relevant time.

**7.6 Board Recommendation**

The Board (other than Mr Duncan Craib, who has a material personal interest in the outcome of Resolution 4), recommends that Shareholders vote in favour of Resolution 4.



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## **8 Resolution 5 – Issue of Options to Ms Jan Honeyman under the Plan**

### **8.1 General**

The Company has determined to issue 200,000 Options to Ms Jan Honeyman (**Director Options**). The exercise price of the Director Options will be determined on the basis of a 120% premium to the VWAP in the preceding 5 days prior to the date of grant. The granted Director Options vest after 12 months subject to a continued employment hurdle and expire three years from the time of the original option grant.

Ms Jan Honeyman was appointed to the Board on 21 February 2022 and is highly experienced Human Resources executive. Ms Honeyman was most recently Director of Human Resources with global miner First Quantum Minerals and during her 16 years in this role, she led the human resource function across the First Quantum group of companies with more than 20,000 employees and managed more than 100 HR professionals across 11 countries. Ms Honeyman was also Global Director, Talent Management with KBR Energy & Chemicals in Houston USA and was Global Director HR, Infrastructure PL for KBR (a division of Halliburton).

The Board considers Ms Honeyman's skills and breadth of experience to be invaluable to the Company as it prepares for the re-start the Honeymoon Project. The Board believes it is important to offer these Director Options to Ms Honeyman as a means to continue to attract and maintain highly experienced and qualified Board members in an extremely competitive market.

The premium priced Director Options granted require significant share price growth and employee retention for the Director Options to result in tangible benefits to Ms Honeyman (and/or her nominee). There are no re-testing provisions under the structure and there are no adjustments to exercise prices, vesting conditions or term of the premium priced Director Options once granted.

Resolution 5 seeks Shareholder approval, pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, for the issue of 200,000 Director Options to Ms Honeyman (and/or her nominee) under the Plan.

In accordance with Listing Rule 10.14, shareholder approval is required for the issue of options to a related party under an employee incentive scheme. Ms Honeyman is a related party of the Company as she is a Director.

Resolution 5 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 5.

### **8.2 Section 208 of Corporations Act**

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

Ms Jan Honeyman, who is a Director, is a related party of the Company.

The Board has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the issue of Options to Ms Honeyman (and/or her nominee) as the exception in section 211 of the Corporations Act applies. The grant of Director Options to Ms Honeyman (and/or her nominee) is considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act.

### 8.3 Listing Rule 10.14

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

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

unless it obtains the shareholder approval.

The issue of Director Options to Ms Jan Honeyman (and/or her nominee) falls within 10.14.1 above and therefore requires the approval of Shareholders under Listing Rule 10.14.

If Resolution 5 is passed, the Company will be able to proceed with the issue of Director Options to Ms Honeyman (and/or her nominee). Approval pursuant to Listing Rule 7.1 will not be required as approval is being obtained under Listing Rule 10.14 (Exception 14 under Listing Rule 7.1). Accordingly, the issue of Director Options will not be included in the Company's 15% limit on issuing Equity Securities without Shareholder approval under Listing Rule 7.1.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of Director Options to Ms Honeyman (and/or her nominee) and may need to consider other methods (such as cash payments) to remunerate and incentivise Ms Honeyman.

### 8.4 Specific information required by Listing Rule 10.15

Information must be provided to Shareholders for the purposes of obtaining Shareholder approval as follows:

- (a) the Director Options will be issued under the Plan to Ms Jan Honeyman (and/or her nominee);
- (b) Ms Honeyman is a Director and therefore falls within Listing Rule 10.14.1. If the Director Options are issued to a nominee of Ms Honeyman, the nominee will be an Associate of the Director and fall under Listing Rule 10.14.2;
- (c) the number of Options to be issued to Ms Honeyman (and/or her nominee) is 200,000;
- (d) Ms Honeyman's current total remuneration package is \$65,000 per year inclusive of superannuation;
- (e) Ms Honeyman has not previously been issued any Securities under the Plan;
- (f) the exercise price, vesting condition and expiry date of the Director Options are as follows:

Number	Exercise Price	Vesting Condition	Expiry Date
200,000	120% premium to the VWAP in the preceding 5 days prior to the date of grant	12 months of continuous service	Three years from the date of issue

- (g) the Director Options to be issued to Ms Honeyman (and/or her nominee):
  - (i) are subject to the material terms summarised in Schedule 3;

- (ii) are being issued to provide a cost effective and efficient form of remuneration as opposed to alternative forms of remuneration, such as the payment of additional cash compensation; and
- (iii) are valued, as at the date of this Notice, as approximately \$270,000 with the valuation methodology and key assumptions for the Director Options set out in Schedule 5;
- (h) the Director Options will be issued no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (i) the Director Options will have an issue price of nil as they will be issued as part of the remuneration package of Ms Honeyman;
- (j) a summary of the material terms of the Plan is provided in Schedule 4;
- (k) no loan will be provided to Ms Honeyman in relation to the issue of Director Options;
- (l) details of any Securities issued under the Plan will be published in each 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;
- (m) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Securities under the Plan after Resolution 5 is approved and who were not named in the Notice will not participate until approval is obtained under that Listing Rule;
- (n) a voting exclusion statement is included in the Notice for Resolution 5; and
- (o) other than the information above and otherwise set out in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 5.

#### 8.5 Information required for sections 200B and 200E of the Corporations Act

Under sections 200B and 200E of the Corporations Act, the Company can only give a benefit to a member of Key Management Personnel in connection with retirement from office or employment in the Company with prior Shareholder approval or if any of a number of exceptions apply. Accelerated vesting or automatic vesting of share-based payments may in some cases be a benefit of this kind.

As a participant in the Plan, Ms Jan Honeyman (and/or her nominee) may become entitled to accelerated vesting or automatic vesting of Director Options if there is a change in control of the Company or if the Board exercises a discretion upon cessation of service. Approval is sought for Ms Honeyman (and/or her nominee) to be given any such benefit in connection with her retirement from office or employment with the Company.

The value of the benefit that might be given to Ms Honeyman (and/or her nominee) by the exercise of the Board's discretion under the Plan will depend on a number of factors. Accordingly, the precise value of the benefit cannot be ascertained at the present time. Apart from the future Share price being unknown, the following matters which will or are likely to affect the value of the benefits are also unknown:

- (a) the number of Director Options held by Ms Honeyman (and/or her nominee) prior to the cessation of her employment;
- (b) reasons for the cessation of employment and Ms Honeyman's length of service;
- (c) the term of the Director Options remaining;

- (d) the extent to which any vesting conditions or other performance or exercise hurdles have been satisfied; and
- (e) the exercise of the Board's discretion at the relevant time.

#### 8.6 **Board Recommendation**

The Board (other than Ms Jan Honeyman, who has a material personal interest in the outcome of Resolution 5), recommends that Shareholders vote in favour of Resolution 5.

## Schedule 1

### Definitions

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

**\$** means Australian Dollars.

**Annual Report** means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2022.

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

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

**AWST** means Australian Western Standard Time, being the time in Perth, Western Australia.

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

**Board** means the board of Directors.

**CAGR** has the meaning given in Section 7.4.

**Chair** means the person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice.

**Chief Executive Officer** means the chief executive officer of the Company.

**Closely Related Party** means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Company** means Boss Energy Limited (ACN 116 834 336).

**Constitution** means the constitution of the Company as at the commencement of the Meeting.

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

**Director** means a director of the Company.

**Director Option** has the meaning given in Section 8.1.

**Director Rights** has the meaning given in Section 7.1.

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

**Equity Security** has the same meaning as in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum which forms part of the Notice.

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

**FY23** means the financial year ending 30 June 2023.

**FY25** means the financial year ending 30 June 2025.

**Key Management Personnel** means 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.

**Listing Rules** means the listing rules of ASX.

**LOM** has the meaning given in Section 7.4.

**LTI** has the meaning given in Section 7.1.

**Managing Director** means the managing director of the Company.

**Meeting** has the meaning in the introductory paragraph of the Notice.

**Notice** means the notice of meeting which comprises of the notice, agenda, Explanatory Memorandum and Proxy Form.

**Office** means office as a Director.

**Option** means an option which entitles the holder to subscribe for a Share.

**Performance Right** means the right to acquire a Share.

**Plan** means the employee incentive scheme adopted by the Company on 18 November 2020.

**Proxy Form** means the proxy form attached to the Notice.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolution** means a resolution contained in the Notice.

**Schedule** means a schedule to this Explanatory Memorandum.

**Security** means any Equity Security in the Company (including Shares, Options or Performance Rights).

**Section** means a section of this Explanatory Memorandum.

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

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

**STI** has the meaning given in Section 7.2.

**Strategic Measures** means the two strategic measures detailed in Section 7.4.

**Strike** has the meaning given in Section 4.

**TFR** has the meaning given in Section 7.3.

**TSR** has the meaning given in Section 7.2.

**Tranche 1** has the meaning given in Schedule 5.

**Tranche 2** has the meaning given in Schedule 5.

**Tranche 3** has the meaning given in Schedule 5.

**VWAP** means volume weighted average price.

## Schedule 2

### Terms and Conditions of Director Rights

The terms of the Director Rights are as follows:

- 1 **(Entitlement)**: Each Director Right entitles the holder to subscribe for one Share upon vesting of the Director Right. Shares issued on vesting will be quoted and will rank equally with the then issued Shares.
  - 2 **(Exercise Price)**: The exercise price is nil.
  - 3 **(Expiry Date)**: The Director Rights expire at 5:00pm (AWST) on 30 June 2025.
  - 4 **(Vesting Conditions)**: The Director Rights will be issued on the terms and conditions set out in the Plan detailed in Schedule 4 and will be subject to the vesting conditions set out in Section 7.4.
  - 5 **(Timing of issue of Shares on exercise)**: Within 5 Business Days after the later of the following:
    - (a) the Exercise Date; and
    - (b) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information, the Company will:
      - (c) allot and issue the number of Shares required under these terms and conditions in respect of the number of Director Rights specified in the Notice of Exercise and for which cleared funds have been received by the Company;
      - (d) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
      - (e) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Director Rights.
- If the Company is unable to deliver a notice under paragraph 5(d) or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company will lodge with ASIC a "cleansing prospectus" prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors. Where a "cleansing prospectus" is required, any Shares issued on exercise of Director Rights will be subject to a holding lock until such time as a prospectus is issued by the Company or until 12 months has elapsed from the date of issue of the Shares, whichever is the shorter.
- 6 **(Shares issued on vesting)**: Shares issued on vesting of the Director Rights will rank equally with the then Shares of the Company.
  - 7 **(Quotation of Shares on vesting)**: If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the vesting of the Director Rights in accordance with the Listing Rules.
  - 8 **(Reconstruction of capital)**: If at any time the issued capital of the Company is reconstructed, all rights of a Director Rights holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
  - 9 **(Participation in new issues)**: There are no participation rights or entitlements inherent in the Director Rights and holders will not be entitled to participate in new issues of capital

offered to Shareholders during the currency of the Director Rights without the vesting of the Director Rights.

- 10 **(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 a Director Right will be increased by the number of Shares which the Director Right holder would have received if the Director Right holder had exercised the Director Rights before the record date for the bonus issue; and
  - (b) no change will be made to the Exercise Price.

- 11 **(Change of Control):** Upon the occurrence of:
- (a) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
    - (i) having received acceptances for greater than 50% of the Company's shares on issue; and
    - (ii) having been declared unconditional by the bidder;
  - (b) any person acquires a Relevant Interest (as defined in the Corporations Act) more than 50% of the Shares by any other means; or
  - (c) any merger transaction or scheme of arrangement is recommended by the Board and where such transaction would have the effect contemplated in paragraph 11(b) above,

**(Change of Control Event)** or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Director Rights will be dealt with, including, without limitation, in a manner that allows the holder of the Director Rights to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.



## Schedule 3

### Terms and Conditions of Director Options

The terms of the Director Options are as follows:

- 1 **(Entitlement):** Each Director Option entitles the holder to subscribe for one Share upon exercise of the Director Option.
- 2 **(Exercise Price):** The exercise price for the Director Options will be determined on the basis of a 120% premium to the VWAP in the preceding 5 days prior to the date of issue.
- 3 **(Expiry Date):** The Director Options expire at 5:00pm (AWST) on a date that is three years from the date of issue. A Director Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- 4 **(Exercise Period):** Subject to Ms Honeyman remaining employed with the Company for 12 months following the date of issue, the Director Options are exercisable at any time and from time to time on or prior to the Expiry Date.
- 5 **(Cashless Exercise):** The cashless exercise facility entitles a participant to elect not to pay the Option exercise price against the number of Shares which the participant is entitled to receive upon exercise of the participant's Director Options but instead be allotted a fraction of a Share calculated as the difference between the market value of the shares on exercise date and the Director Option exercise price, divided by the market value of the shares, multiplied by the number of Options exercised (rounded up to the next full number of Shares).
- 6 **(Quotation of the Options):** The Company will not apply for quotation of the Director Options on ASX.
- 7 **(Transferability of the Options):** The Director Options are not transferable, except with the prior written approval of the Company.
- 8 **(Notice of Exercise):** The Director 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 Director Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

Any Notice of Exercise of a Director Option received by the Company will be deemed to be a notice of the exercise of that Director Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Director Option being exercised in cleared funds (Exercise Date).

- 9 **(Timing of issue of Shares on exercise):** Within 5 Business Days after the later of the following:
  - (a) the Exercise Date; and
  - (b) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,the Company will:
  - (c) allot and issue the number of Shares required under these terms and conditions in respect of the number of Director Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
  - (d) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
  - (e) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If the Company is unable to deliver a notice under paragraph 9(d) or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company will lodge with ASIC a "cleansing prospectus" prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors. Where a "cleansing prospectus" is required, any Shares issued on exercise of Options will be subject to a holding lock until such time as a prospectus is issued by the Company or until 12 months has elapsed from the date of issue of the Shares, whichever is the shorter.

- 10 **(Shares issued on exercise)**: Shares issued on exercise of the Director Options will rank equally with the then Shares of the Company.
- 11 **(Quotation of Shares on exercise)**: If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Director Options in accordance with the Listing Rules.
- 12 **(Reconstruction of capital)**: If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
- 13 **(Participation in new issues)**: There are no participation rights or entitlements inherent in the Director Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Director Options without exercising the Director Options.
- 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 a Director Option will be increased by the number of Shares which the Director Option holder would have received if the Director Option holder had exercised the Director Option before the record date for the bonus issue; and
  - (b) no change will be made to the Exercise Price.
- 15 **(Change of Control)**: Upon the occurrence of:
  - (a) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
    - (i) having received acceptances for greater than 50% of the Company's shares on issue; and
    - (ii) having been declared unconditional by the bidder;
  - (b) any person acquires a Relevant Interest (as defined in the Corporations Act) more than 50% of the Shares by any other means; or
  - (c) any merger transaction or scheme of arrangement is recommended by the Board and where such transaction would have the effect contemplated in paragraph 15(b) above,

**(Change of Control Event)** or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Options will be dealt with, including, without limitation, in a manner that allows the holder of the Director Options to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

## Schedule 4

### Terms and Conditions of the Plan

The Company has established an employee securities incentive plan (**Plan**). The full terms of the Plan may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the Plan is set out below.

#### 1 Eligible Participant

**Eligible Participant** means a person that:

- (a) is an 'eligible participant' (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
- (b) has been determined by the Board to be eligible to participate in the Plan from time to time.

#### 2 Purpose

The purpose of the Plan is to:

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

#### 3 Plan administration

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

#### 4 Eligibility, invitation and application

- (a) The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides (**Invitation**).
- (b) On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.
- (c) If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

#### 5 Grant of Securities

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

#### 6 Terms of Convertible Securities

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

- (b) Unless determined otherwise by the Board in its absolute discretion, or the relevant dealing is effected by force of law on death or legal incapacity to the Participant's legal personal representative, a Participant may not sell, assign, transfer, grant a Security Interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

## **7 Vesting of Convertible Securities**

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

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

- (a) To exercise a Convertible Security, the Eligible Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.
- (b) An invitation may specify that at the time of exercise of the Convertible Securities, Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Eligible Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.
- (c) A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

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

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

## **10 Forfeiture of Convertible Securities**

- (a) Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Eligible Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.
- (b) Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.
- (c) Unless the Board otherwise determines, or as otherwise set out in the Plan rules:
  - (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in

good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and

- (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

## **11 Change of control**

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Eligible Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Eligible Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

## **12 Rights attaching to Plan Shares**

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

## **13 Disposal restrictions on Plan Shares**

- (a) If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Eligible Participant with this restriction.
- (b) For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Eligible Participant will not:
  - (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
  - (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

## **14 Adjustment of Convertible Securities**

- (a) If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.
- (b) If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.
- (c) Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

**15 Participation in new issues**

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

**16 Amendment of Plan**

- (a) Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.
- (b) No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Eligible Participants.

**17 Plan duration**

- (a) The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Eligible Participants.
- (b) If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Eligible Participant.

## Schedule 5

### Valuation of Director Rights and Director Options

#### 1 Valuation Methodology for Director Rights

The valuation of the Director Rights was prepared by BDO Corporate Finance (WA) Pty Ltd (**BDO**).

The Director Rights were considered to have both market based and non-market based vesting conditions attached.

BDO have valued the Absolute TSR Director Rights (**Tranche 1**) using a hybrid multiple barrier option pricing model. The model incorporates a Monte Carlo simulation, which simulates the Company's share price at the test date.

BDO consider the Strategic Milestone - LOM Extension Rights (**Tranche 2**) and Strategic Milestone – Production Milestones Rights (**Tranche 3**) to have non-market based vesting conditions. Rights without market based vesting conditions can be exercised following vesting, and as such are more suitably valued using a Black Scholes option pricing model. Option pricing models assume that the exercise of a Right does not affect the value of the underlying asset.

#### 2 Valuation Key Assumptions and Conclusions for Director Rights

The valuation of the Director Rights, prepared by BDO, was based on the following inputs:

Assumption	Tranche 1	Tranche 2	Tranche 3
Valuation date	10 October 2022	10 October 2022	10 October 2022
Share price at valuation date	\$2.60	\$2.60	\$2.60
Exercise price	Nil	Nil	Nil
Commencement of measurement period	1 July 2022	1 July 2022	1 July 2022
Performance measurement date	30 June 2025	30 June 2025	30 June 2025
Performance period (years)	3.00	3.00	3.00
Remaining performance period (years)	2.72	2.72	2.72
Expiry date	30 June 2025	30 June 2025	30 June 2025
Risk-free interest rate	3.42%	3.42%	3.42%
Dividend yield	Nil	Nil	Nil
Vesting conditions <sup>1</sup>	Absolute TSR	LOM Extension	Production Milestones
Volatility	85%	85%	85%
Valuation per Performance Right	\$2.07	\$2.60	\$2.60
Number of Performance Rights	125,817	62,909	62,909
Valuation per Tranche	\$260,441	\$163,563	\$163,563

<sup>1</sup> Refer Section 7.1 for further details on vesting conditions for each tranche.

### 3 Valuation Methodology for Director Options

The valuation of the Director Options was prepared internally by management using the Black Scholes option pricing model.

### 4 Valuation Key Assumptions and Conclusions for Director Options

The valuation of the Director Options, prepared internally by management, was based on the following inputs:

Assumption	Director Options
Valuation date	10 October 2022
Share price at valuation date	\$2.60
Exercise price*	\$3.12
Expiry date (length of time form Issue Date) (years)	10 October 2025
Risk-free interest rate	3.42%
Dividend yield	Nil
Volatility	85%
Valuation per Option	\$1.35
Number of Options	200,000
Valuation per Tranche	\$270,000

Any change in the variables applied in the calculations between the date of the valuation and the date the Director Rights or Director Options are issued would have an impact on their value.



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

Your proxy voting instruction must be received by **11.00am (AWST) on Tuesday, 22 November 2022**, 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. Other wise, 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.**



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

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