



EUROPEANCOBALT

European Cobalt Ltd

ACN 144 079 667

## NOTICE OF ANNUAL GENERAL MEETING

**The Annual General Meeting of the Company will be held at the offices of the Company at Suite 23, 513 Hay Street, Subiaco, Western Australia on Monday, 30 November 2020 at 1.30pm (AWST)**

*The Notice and the accompanying Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their broker, investment adviser, 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, Oonagh Malone, by telephone on +61 8 6143 6740.***

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# European Cobalt Ltd

ACN 144 079 667

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of European Cobalt Ltd (**Company**) will be held at the offices of the Company at Suite 23, 513 Hay Street, Subiaco, Western Australia, on Monday, 30 November 2020 at 1.30pm (AWST) (**Meeting**).

The Board is closely monitoring the rapidly changing coronavirus (COVID-19) pandemic. The health of the Company's Shareholders, employees and other stakeholders is of paramount importance.

While the Board would like to host all Shareholders in person, in order to minimise the risk to Shareholders and to the Company and its ongoing operations, the Company suggests that Shareholders do not attend the Meeting in person.

Accordingly, the Directors strongly encourage all Shareholders to lodge Proxy Forms prior to the Meeting. The Company advises that a poll will be conducted for each of the Resolutions.

The Board will continue to monitor Australian Government restrictions on public gatherings. If it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice, the Company will notify Shareholders accordingly via the Company's website at <https://www.europeancobalt.com/> and the ASX announcements platform.

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form 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 Saturday, 28 November 2020 at 1.30pm (AWST).

Terms and abbreviations used in this Notice and 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 2020, which includes the Financial Report, the Directors' Report and the Auditor's Report.

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#### 1. Resolution 1 – Remuneration Report

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

##### Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by, or on behalf of:

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

However, a person described above may cast a vote on this Resolution if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

- (a) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on this Resolution; or

- (b) the person is the Chairperson voting an undirected proxy which expressly authorises the Chairperson to vote the proxy on a resolution connected with the remuneration of a member of the Key Management Personnel.

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## 2. Resolution 2 – Re-election of Tolga Kumova as 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 11.3 of the Constitution and for all other purposes, Tolga Kumova, Director, retires and being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.”*

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## 3. Resolution 3 – Election of Dale Ginn as 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 11.11 of the Constitution and for all other purposes, Dale Ginn, Director, who was appointed as a Director on 1 April 2020, retires and being eligible is elected as a Director on the terms and conditions in the Explanatory Memorandum.”*

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## 4. Resolution 4 – Ratification of Edleston Shares

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 7.4 and for all other purposes, Shareholders ratify the prior issue of 100,000,000 Shares on the terms and conditions in the Explanatory Memorandum.”*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of 55 North Mining Inc and any associates of that person (or those persons).

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

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

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## 5. Resolution 5 – Ratification of Edleston Extension Shares

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 7.4 and for all other purposes, Shareholders ratify the prior issue of 5,000,000 Shares on the terms and conditions in the Explanatory Memorandum.”*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of 1252272 BC Ltd and any associates of that person (or those persons).

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

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

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## **6. Resolution 6 – Approval for 10% Placement Facility**

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

*“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, the Company have the additional capacity to issue Equity Securities provided for in Listing Rule 7.1A.”*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in the issues of Equity Securities under Listing Rule 7.1A or who might obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of Shares), or any associates of those persons.

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

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

*Note: As at the date of this Notice, it is not known who may participate in any Equity Securities issued under Resolution 6 and the Company has not approached any Shareholder or identified a class of existing Shareholders to participate in any issue of Equity Securities under the 10% Placement Facility. Accordingly, no Shareholders are excluded from voting on Resolution 6.*

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## 7. Resolution 7 – Change of Company Name

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

*“That, pursuant to and in accordance with section 157(1) of the Corporations Act and for all other purposes, Shareholders adopt Aston Minerals Limited as the new name of the Company on the terms and conditions in the Explanatory Memorandum.”*

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## 8. Resolution 8 – European Cobalt Employee Securities Incentive 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 7.2, exception 13 and for all other purposes, Shareholders approve the Plan and the grant of Plan Shares, Options, Performance Rights or other Convertible Security and the issue of the underlying Shares of such Plan Shares, Options, Performance Rights or other Convertible Security on the terms and conditions in the Explanatory Memorandum.”*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is eligible to participate in the employee incentive scheme or an associate of that person or those persons.

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

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

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

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson 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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## 9. Resolution 9 – Replacement of Constitution

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

*“That, pursuant to and in accordance with section 136(1)(b) and 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form of the document table at the Meeting and signed by the Chairperson for identification purposes, with effect from the close of the Meeting.”*

### BY ORDER OF THE BOARD

Oonagh Malone  
**Company Secretary**

Dated: 27 October 2020

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## **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 on Monday, 30 November 2020, at 1.30pm (AWST).

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 – Adoption of Remuneration Report
Section 5:	Resolution 2 – Re-election of Tolga Kumova as Director
Section 6:	Resolution 3 – Election of Dale Ginn as Director
Section 7:	Resolution 4 – Ratification of Edleston Shares
Section 8:	Resolution 5 – Ratification of Edleston Extension Shares
Section 9:	Resolution 6 – Approval for 10% Placement Capacity
Section 10:	Resolution 7 – Change of Company Name
Section 11:	Resolution 8 – European Cobalt Employee Securities Incentive Plan
Section 12:	Resolution 9 – Replacement of Constitution
Schedule 1:	Definitions
Schedule 2:	Summary of Employee Securities Incentive Plan
Schedule 3:	Summary of Proposed Constitution

A Proxy Form is located at the end of the 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.

#### **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 set out in the Proxy Form. Returning the Proxy Form to the Company will not preclude a Shareholder from attending or (subject to the voting exclusions set out in the Notice) voting at the Meeting in person.

Please note that:

- (a) a Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a Shareholder; and

- (c) a Shareholder 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 1.30pm (AWST) on Saturday, 28 November 2020, being at least 48 hours before the Meeting.

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

## 2.2 Attendance at the Meeting

The Company advises Shareholders that the Meeting will be held in compliance with the any government's restrictions on public gatherings.

The Board is closely monitoring the rapidly changing coronavirus (COVID-19) pandemic. The health of the Company's Shareholders, employees and other stakeholders is of paramount importance.

While the Board would like to host all Shareholders in person, in order to minimise the risk to Shareholders and to the Company and its ongoing operations, the Company suggests that Shareholders do not attend the Meeting in person.

Accordingly, the Directors strongly encourage all Shareholders to lodge Proxy Forms prior to the Meeting. The Company advises that a poll will be conducted for each of the Resolutions.

The Board will continue to monitor Australian Government restrictions on public gatherings. If it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice, the Company will notify Shareholders accordingly via the Company's website at <https://www.europecobalt.com/> and the ASX announcements platform.

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## 3. Annual Report

In accordance with section 317(1) of the Corporations Act, the Annual Report for the financial year ended 30 June 2020 must be laid before the Meeting.

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

- (a) discuss the Annual Report which is available online at <https://www.asx.com.au/asxpdf/20200930/pdf/44n62p6w556xsk.pdf>;
- (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 Chairperson about the management of the Company, or to the Auditor about:

- (a) the preparation and contents of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by 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 5 business days before the Meeting to the Company Secretary at the Company's registered office.

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## 4. Resolution 1 – Adoption of 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:

- (a) the Company's remuneration policy; and
- (b) 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.

Pursuant to the Corporations Act, 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 AGMs.

If a resolution on the Remuneration Report receives a Strike at two consecutive AGMs, the Company will be required to put to Shareholders at the second AGM, 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.

The Company's Remuneration Report did not receive a Strike at the 2019 annual general meeting. Please note, if the Remuneration Report receives a Strike at this Meeting and if a second Strike is received at the 2021 annual general meeting, this may result in the re-election of the Board.

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

Resolution 1 is an ordinary resolution.

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

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in accordance with the Chairperson'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 – Re-election of Tolga Kumova as Director**

### **5.1 General**

Article 11.3 of the Constitution requires one third of the Directors (excluding the Managing Director and any Director appointed either to fill a casual vacancy or as an addition to the existing Directors) to retire at each annual general meeting where the Company has three or more Directors.

Accordingly, Resolution 2 provides that Tolga Kumova will retire by rotation at this Meeting and, being eligible, offers himself for re-election.

Details of the qualifications and experience of Tolga Kumova are in the Annual Report.

Resolution 2 is an ordinary resolution.

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

### **5.2 Board Recommendation**

The Board (excluding Tolga Kumova) supports the election of Tolga Kumova and recommends that Shareholders vote in favour of Resolution 2.

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## **6. Resolutions 3 – Election of Dale Ginn as Director**

### **6.1 Background**

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 entity.

Article 11.11 of the Constitution 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.

Under Article 11.11 of the Constitution, any Director so appointed may retire at the next general meeting, and otherwise, must retire at the next annual general meeting and is eligible for re-election at that meeting.

Dale Ginn was appointed to the Board, as Director on 1 April 2020.

Resolution 3 provides that Dale Ginn retires from office and seeks re-election as Director of the Company.

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Details of the qualifications and experience of Dale Ginn are in the Annual Report.

Resolution 3 is an ordinary resolution.

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

### **Board Recommendation**

The Board (excluding Dale Ginn) supports the election of Dale Ginn and recommends that Shareholders vote in favour of Resolution 3.

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## **7. Resolution 4 – Ratification of Edlestone Shares**

### **7.1 Background**

The Company refers to its announcements of 1 June 2020 and 29 June 2020 in respect to its acquisition of the Edlestone Gold Project located in Ontario, Canada (**Edlestone Acquisition**).

On 18 August 2020, the Company issued 100,000,000 Shares as part consideration for the Edlestone Acquisition (**Edlestone Shares**).

Resolution 4 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 4.

### **7.2 Listing Rule 7.4**

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.

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

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

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. To this end, Resolution 4 seeks Shareholder approval for the issue of the Edlestone Shares under and for the purposes of Listing Rule 7.4.

If Resolution 4 is passed, the issue of the Edlestone Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 4 is not passed, the issue of the Edlestone Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

### **7.3 Specific information required by Listing Rule 7.5**

In accordance with Listing Rule 7.5, information is provided in relation to the issue of the Edlestone Shares as follows:

- (a) The Edlestone Shares were issued to 55 North Mining Inc.
- (b) 100,000,000 Shares were issued.
- (c) The Edlestone Shares are fully paid ordinary share and rank equally in all respects with the Company's existing Shares.
- (d) The Edlestone Shares were issued on 18 August 2020.
- (e) The Edlestone Shares were issued as part consideration for the Edlestone Acquisition.
- (f) The Shares are issued pursuant to the Exclusive Option Agreement, the material terms of which are summarised as follows:

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- (i) on 1 June 2020, the Company entered into an exclusive option agreement with 55 North Mining Inc (**Exclusive Option Agreement**) to acquire a 30 day exclusive option period to undertake the Edleston Acquisition by payment of a non-refundable option fee of CDN\$100,000;
  - (ii) the Exclusive Option Agreement was conditional on completion of technical and legal due diligence;
  - (iii) the Company completed the technical and legal due diligence on 29 June 2020 and exercised the option to undertake the Edleston Acquisition;
  - (iv) the total consideration for the Edleston Extension Acquisition was:
    - (A) CDN\$650,000 cash; and
    - (B) the issue of 100,000,000 Shares to 55 North Mining Inc (or its nominee); and
  - (v) 55 North Mining Inc retained a 2% net smelter royalty (or which 1% can be re-purchased across the mining claims for \$1,000,000 and 1% can be repurchased across the leased claims for \$1,000,000).
- (g) A voting exclusion statement is included in the Notice for Resolution 4.

#### 7.4 Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 4.

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## 8. Resolution 5 – Ratification of Edleston Extension Shares

### 8.1 Background

The Company refers to its announcements of 9 June 2020 and 29 June 2020 in respect to its acquisition of the tenure adjacent to the Edleston Gold Project located in Ontario, Canada (**Edleston Extension Acquisition**).

On 18 August 2020, the Company issued 5,000,000 Shares as consideration for the Edleston Extension Acquisition (**Edleston Extension Shares**).

Resolution 5 is an ordinary resolution.

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

### 8.2 Listing Rule 7.4

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.

The issue of the Edleston Extension Shares does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue date.

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

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. To this end, Resolution 5 seeks Shareholder approval for the Edleston Extension Shares under and for the purposes of Listing Rule 7.4.

If Resolution 5 is passed, the Edleston Extension Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 5 is not passed, the Edleston Extension Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

### 8.3 Specific information required by Listing Rule 7.5

In accordance with Listing Rule 7.5, information is provided in relation to the Edleston Extension Shares as follows:

- (h) The Edleston Extension Shares were issued to 1252272 BC Ltd.
- (i) 5,000,000 Shares were issued.
- (j) The Edleston Extension Shares are fully paid ordinary share and rank equally in all respects with the Company's existing Shares.
- (k) The Edleston Extension Shares were issued on 18 August 2020.
- (l) The Edleston Extension Shares were issued as consideration for the Edleston Extension Acquisition.
- (m) The Edleston Extension Shares are issued pursuant to the Option Agreement, the material terms of which are summarised as follows:
  - (i) on 9 June 2020, the Company entered into an exclusive option agreement with 1252272 BC Ltd (**Option Agreement**) to acquire a 45 day exclusive option period to undertake the Edleston Extension Acquisition by payment of a non-refundable option fee of CDN\$15,000;
  - (ii) the Option Agreement was conditional on completion of technical and legal due diligence;
  - (iii) the Company completed the technical and legal due diligence on 29 June 2020 and exercised the option to undertake the Edleston Extension Acquisition;
  - (iv) the total consideration for the Edleston Extension Acquisition was the issue of 5,000,000 Shares to 1252272 BC Ltd (or its nominee).
- (n) A voting exclusion statement is included in the Notice for Resolution 5.

### 8.4 Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 5.

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## 9. Resolution 6 – Approval for 10% Placement Facility

### 9.1 General

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

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

An 'eligible entity' for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

Resolution 6 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 6 is passed, the effect will be that 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 6 is not passed, the effect will be that the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in 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.

Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

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The Chairperson intends to exercise all available proxies in favour of Resolution 6.

## 9.2 Listing Rule 7.1A

### (a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

### (b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the company.

The Company, as at the date of the Notice, has on issue one quoted class of Equity Securities, being Shares.

### (c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities that have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

#### (A x D) – E

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2 (other than exception 9, 16 or 17),
- (ii) plus the number of fully paid ordinary securities issued in the 12 months on the conversion of convertible securities within rule 7.2 (exception 9) where:
  - (A) the convertible securities were issued or agreed to be issued before the commencement of the 12 months; or
  - (B) the issue of, or agreement to issue, the convertible securities was approved, or taken under these Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4,
- (iii) plus the number of fully paid ordinary securities in the 12 months under an agreement to issue securities within Listing Rule 7.2 (exception 16) where:
  - (A) the agreement was entered into before the commencement of the relevant period; or
  - (B) the agreement or issue was approved or taken under these rules to have been approved under Listing Rule 7.1 or Listing Rule 7.4,
- (iv) plus the number of any other fully paid ordinary securities issued in the 12 months with approval under Listing Rule 7.1 or Listing Rule 7.4 (noting that this may include fully paid ordinary securities issued in the 12 months under an agreement to issue securities within Listing Rule 7.2 (exception 17) where the issue is subsequently approved under Listing Rule 7.1),
- (v) plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- (vi) less the number of fully paid ordinary securities cancelled in the 12 months.

Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under

Listing Rule 7.1A.2 in the 12 months where the issue or agreement to issue has not been subsequently approved by Shareholders under Listing Rule 7.4.

(d) **Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of the Notice, the Company has on issue 866,697,429 Shares and therefore has a capacity to issue:

- (i) subject to Shareholder approval being sought under Resolutions 4 and 5, 130,004,614 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being sought under Resolution 6, 86,669,742 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 9.2(c)).

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days immediately before:

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

(f) **10% Placement Period**

(i) Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following:

- (A) The date that is 12 months after the date of the annual general meeting at which the approval is obtained.
- (B) The time and date of the entity's next annual general meeting.
- (C) The time and date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(the 10% Placement Period).

**9.3 Effect of Resolution**

The effect of Resolution 6 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

**9.4 Specific information required by Listing Rule 7.3A**

In accordance with Listing Rule 7.3A, information is provided as follows:

- (a) Shareholder approval will be valid during the 10% Placement Period as detailed in Section 9.2(f).
- (b) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities 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; or
  - (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

- (c) The Company may seek to issue the Equity Securities for cash consideration only. Funds raised by an issue of Equity Securities under the 10% Placement Facility may be used for exploration on the Company's assets, potential acquisitions and for general working capital.
- (d) If Resolution 6 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

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

- (e) The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of the Notice.
- (f) The table also shows:
- (i) two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
  - (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.023 50% decrease in Issue Price	\$0.047 Issue Price	\$0.094 100% increase in Issue Price
Current Variable A (761,697,329 Shares)	10% Voting Dilution	76,169,733 Shares	76,169,733 Shares	76,169,733 Shares
	Funds Raised	\$1,751,904	\$3,579,978	\$7,159,955
50% increase in current Variable A (1,142,545,993 Shares)	10% Voting Dilution	114,254,599 Shares	114,254,599 Shares	114,254,599 Shares
	Funds Raised	\$2,627,856	\$5,369,966	\$10,739,932
100% increase in current Variable A (1,523,394,658 Shares)	10% Voting Dilution	152,339,466 Shares	152,339,466 Shares	152,339,466 Shares
	Funds Raised	\$3,503,808	\$7,159,954	\$14,319,910

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
  - (ii) No Performance Rights or Options are exercised or converted into Shares before the date of the issue of the Equity Securities.
  - (iii) 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%.
  - (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
  - (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
  - (vii) The issue price is \$0.047 being the closing price of the Shares on ASX on 26 October 2020. The Company will only issue the Equity Securities during the 10% Placement Period.
- (g) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.3 upon issue of any Equity Securities.
  - (h) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the subscribers of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
    - (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
    - (ii) the effect of the issue of the Equity Securities on the control of the Company;
    - (iii) the financial situation and solvency of the Company; and
    - (iv) advice from corporate, financial and broking advisers (if applicable).
  - (i) The subscribers under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company and are likely to be sophisticated and professional investors.
  - (j) In the 12 months preceding the date of the Meeting, the Company has issued no Equity Securities pursuant to Listing Rule 7.1A.2.
  - (k) A voting exclusion statement is included in the Notice for Resolution 6. However as at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on this Resolution.

## 9.5 Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 6.

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## 10. Resolution 7 – Change of Company Name

### 10.1 General

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

The proposed name has been reserved by the Company with ASIC. The change of name will take effect from when ASIC alters the details of the Company's registration. It is proposed that the Company's listing code be changed to "ASO".

Resolution 7 seeks Shareholder approval for a change in the Company's name to "Aston Minerals Limited". Resolution 7 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chairperson intends to exercise all available proxies in favour of Resolution 7.

## 10.2 Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 7.

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# 11. Resolution 8 – European Cobalt Employee Securities Incentive Plan

## 11.1 General

Resolution 8 seeks Shareholder approval, pursuant to Listing Rule 7.2, Exception 13, to adopt the European Cobalt Securities Incentive Plan (the **Plan**) and to enable Plan Shares, Options, Performance Rights or other Convertible Security to be issued under the Plan to eligible Directors, employees and contractors (**Incentive Securities**) to be exempted from Listing Rule 7.1 for a period of 3 years from the date on which Resolution 8 is passed.

A summary of the Plan, to be adopted pursuant to Resolution 8, is set out in Schedule 2.

The Plan is intended to assist the Company to attract and retain key staff, whether employees or contractors. The Board believes that grants made to eligible participants under the Plan will provide a powerful tool to underpin the Company's employment and engagement strategy, and that the Plan will:

- (a) enable the Company to incentivise and retain existing key management personnel and other eligible employees and contractors needed to achieve the Company's business objectives;
- (b) enable the Company to recruit, incentivise and retain additional key management personnel, and other eligible employees and contractors, needed to achieve the Company's business objectives;
- (c) link the reward of key staff with the achievement of strategic goals and the long-term performance of the Company;
- (d) align the financial interest of participants of the Plan with those of Shareholders; and
- (e) provide incentives to participants under the Plan to focus on superior performance that creates Shareholder value.

If Resolution 8 is passed, the Company will be able to issue securities to eligible Directors, employees and contractors under the Plan without using up any of the Company's 15% limit on issuing Equity Securities without Shareholder approval under Listing Rule 7.1.

If Resolution 8 is not passed, the Company may still issue securities to eligible Directors, employees and contractors under the Plan but any issue will reduce, to that extent, the Company's capacity to issue Equity Securities under Listing Rule 7.1 for 12 months following the issue.

Resolution 8 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 8.

## 11.2 Listing Rule 7.1 and Listing Rule 7.2, Exception 13

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to convert to equity (such as an Option or Performance Right), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.2, Exception 13 provides an exception to Listing Rule 7.1. The effect of Shareholder approval under Listing Rule 7.2, Exception 13 is that any issues of securities under the Plan are treated as having been made with the approval of shareholders for the purposes of Listing Rule 7.1. Approval under Listing Rule 7.2, Exception 13 lasts for a period of three years.

### 11.3 Specific information required by Listing Rule 7.2

In accordance with Listing Rule 7.2 exception 13, information is provided as follows:

- (a) The material terms of the Plan are summarised in Schedule 2.
- (b) This is the first approval sought under Listing Rule 7.2, exception 13 with respect to the Plan.
- (c) No securities have been issued under Plan.
- (d) The maximum number of Incentive Securities proposed to be issued under the Plan following Shareholder approval is 43,334,871 securities being 5% of the current Shares on issue. This maximum number is not a prediction of the actual number of Incentive Securities to be issued under the Plan, but simply a maximum number specified for the purposes of setting a ceiling on the number of Incentive Securities approved to be issued under and for the purposes of Listing Rule 7.2, Exception 13 over the 3 years from the date of approval of the Plan.
- (e) A voting exclusion statement is included in the Notice for Resolution 8.

### 11.4 Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 8.

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## 12. Resolution 9 – Replacement of Constitution

### 12.1 General

Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution or a provision of its constitution by special resolution of shareholders. Under section 136(1)(b) of the Corporations Act, after registration, a company can adopt a new constitution by special resolution of shareholders.

Resolution 9 seeks the approval of Shareholders to repeal the Company's existing Constitution and adopt a new constitution (**Proposed Constitution**) which is updated and of the type required for a listed public company limited by shares.

The Proposed Constitution incorporates amendments to the Corporations Act, ASX Listing Rules, corporate governance principles and recommendations and general corporate and commercial practice for ASX listed companies since the current Constitution was adopted in 2011. Given the length of time since last approved, the Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution and many of the changes are administrative or minor in nature.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website (<https://www.europeancobalt.com/>) and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary.

If Resolution 7 – Change of Company Name is not approved but Resolution 9 – Replacement of Constitution is approved then references to 'Aston Minerals Limited' in the Proposed Constitution will be replaced with references to 'European Cobalt Ltd'. If the change of name to Aston Minerals Limited is approved, then until such time as the change of name takes legal effect, references in the Proposed Constitution to 'Aston Minerals Limited', are deemed to be references to 'European Cobalt Ltd'.

Shareholders are invited to contact the Company if they have any queries or concerns.

Resolution 9 is a special resolution and therefore requires approval of at least 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chairperson intends to exercise all available proxies in favour of Resolution 9.

### 12.2 Summary of proposed modifications

The key provisions of the Proposed Constitution are summarised in Schedule 3.

### 12.3 Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 7.

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## Schedule 1 - Definitions

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

**\$** means Australian Dollars.

**10% Placement Facility** has the meaning given in Section 9.1.

**Annual Report** means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2020.

**Article** means an article in the Constitution.

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

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

**Board** means the board of Directors of the Company.

**Chairperson** means the person appointed to chair the Meeting convened by the Notice.

**Closely Related Party** means has the meaning given in section 9 of the Corporations Act.

**Company** means European Cobalt Ltd.

**Constitution** means the constitution of the Company, as amended from time to time.

**Convertible Security** means any convertible security issued under the Plan that is exercisable into a Plan Share(s), subject to the terms and conditions in Schedule 2.

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

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

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

**Edleston Acquisition** has the meaning given in Section 7.1.

**Edleston Extension Acquisition** has the meaning given in Section 8.1.

**Edleston Extension Shares** has the meaning given in Section 8.1.

**Edleston Shares** has the meaning given in Section 7.1.

**Equity Securities** has the meaning given in the Listing Rules.

**Exclusive Option Agreement** has the meaning given in Section 7.3.

**Explanatory Memorandum** means this 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.

**Incentive Securities** has the meaning given in Section 11.1.

**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.

**Meeting** has the meaning given to that term in the introductory paragraph of the Notice.

**Notice** means the notice of the Meeting and includes the agenda, Explanatory Memorandum and the Proxy Form.

**Option** means any option to acquire a Share issued under the Plan, subject to the terms and conditions in Schedule 2.

**Option Agreement** has the meaning given in Section 8.3.

**Performance Right** means any performance right to acquire a Share issued under the Plan, subject to the terms and conditions in Schedule 2.

**Plan** has the meaning given in Section 11.1.

**Plan Share** means any Share issued under the Plan, subject to the terms and conditions in Schedule 2.

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**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 proposed pursuant to the Notice.

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

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

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

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

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

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

**VWAP** means volume weighted average price.

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## **Schedule 2 – Summary of Employee Securities Incentive Plan**

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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.
- (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 Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.

### **6. Terms of Convertible Securities**

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

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest

over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

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

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

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

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

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 Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

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

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

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

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

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

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

Where the Board determines that a Participant has acted fraudulently or dishonestly, 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.

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

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

**11. Change of control**

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

**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**

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

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

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

**14. Adjustment of Convertible Securities**

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

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an 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.

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**

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.

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

**17. Plan duration**

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

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

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## **Schedule 3 – Summary of Proposed Constitution**

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The provisions in the Proposed Constitution are summarised below. A copy of the Proposed Constitution can be obtained by contacting the Company. Terms not defined in the Notice have the meaning given in the Proposed Constitution.

### **1. Shares**

The issue of Shares and options by the Company is under the control of the Directors, subject to the Corporations Act, Listing Rules and any rights attached to any special class of Shares.

### **2. Preference Shares**

The Corporations Act requires certain rights of preference shares to be either set out in the constitution or approved in general meeting by special resolution before preference shares are issued.

The Proposed Constitution sets out a framework of rights for preference share issues from which the Company may issue preference Shares, including redeemable preference Shares on such terms as are approved by Members in accordance with the Corporations Act. Subject to the Applicable Law, the Company may pay brokerage or commission to a person in respect of that person or another person agreeing to subscribe for unissued Shares or other securities of the Company. The payment of brokerage or commission may include any or all of the payment of cash, the issue of Shares or other securities, the grant of options and the transfer of assets.

### **3. Reductions of Capital**

The Proposed Constitution is consistent with the Corporations Act requirements which must be satisfied by the Company in undertaking an alteration of capital.

### **4. Disposal of Less than a Marketable Parcel**

For the sake of avoiding excessive administration costs, the Proposed Constitution contains provisions enabling the Company to procure the disposal of shares where the Shareholder holds less than a marketable parcel of Shares within the meaning of the Listing Rules (currently being a parcel of shares with a market value of less than \$500). To invoke this procedure, the Directors must first give notice to the relevant shareholder holding less than a marketable parcel of shares.

### **5. Liens**

If the Company issues partly paid shares and a call made on those shares is unpaid, the Company will have a lien over the shares on which the call is unpaid. The lien may be enforced by a sale of those shares.

### **6. Transfer of Shares**

The Company may participate in any clearing and settlement facility provided under the Corporations Act, the Listing Rules and the ASX Settlement Operating Rules (Operating Rules). Transfers under the Operating Rules are affected electronically in the Clearing House Electronic Sub Register System (CHESS) operated by ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX. For the purposes of the Company's participation in CHESS, the Company may issue holding statements in lieu of share certificates. The Company will not charge any fee for registering a transfer of shares. The Directors may refuse to register a transfer of shares in the circumstances permitted or required under the Corporations Act and Listing Rules. Notwithstanding any other provision in the Proposed Constitution, the Company must not prevent or interfere with the registration of a transfer of Shares in a manner which is contrary to the Listing Rules or the ASX Settlement Operating Rules.

## **7. Variation of Class Rights**

Class rights attaching to a particular class of shares may be varied or cancelled with the consent in writing of holders of 75% of the shares in that class or by a special resolution of the holders of shares in that class.

## **8. Meetings of Shareholders**

Directors may call a meeting of Shareholders at any time and place as the Directors resolve. Shareholders may call a meeting as provided by the Corporations Act. The Proposed Constitution contains provisions prescribing the content requirements of notices of meetings of Shareholders and all Shareholders are entitled to a notice of meeting.

The company constitutions of many ASX listed companies expressly facilitate the use of technology at General Meetings, and the Company considers that the use of virtual technology is a valuable tool to facilitate investor engagement in meetings. The Proposed Constitution includes a new provision to allow a General Meeting to be held at two or more venues, and to the extent permitted by law, to hold virtual meetings, using any form of technology, provided that Shareholders are given a reasonable opportunity to participate in the meeting. Under the Proposed Constitution, Shareholders participating in the meeting through the use of technology will be taken to be present in person at the meeting and the provisions of the Proposed Constitution relating to meetings of Shareholders shall apply, so far as they can and with such changes as are necessary, to meetings of the Shareholders held using that technology.

The Company will hold annual general meetings in accordance with the Corporations Act and the Listing Rules.

## **9. Voting of Shareholders**

Resolutions of Shareholders will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. On a poll each eligible Shareholder has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

The Proposed Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, the directors must elect that votes can be cast via direct vote at any meeting of shareholders class meeting. The directors may prescribe regulations, rules and procedures in relation to direct voting, including specifying the form, method and timing of giving a direct vote at a meeting in order for the vote to be valid.

## **10. Proxies**

An eligible Shareholder may appoint a proxy to attend and vote at the meeting on the Shareholder's behalf. The Proposed Constitution contains provisions specifying the manner of lodgement of proxy instruments. A Shareholder may appoint an individual or corporation to act as its representative.

## **11. Directors**

Unless changed by the Company in general meeting, the minimum number of directors is 3. The Directors and the Company may at any time appoint any person as a Director. Any such Director must retire at the next following annual general meeting of the Company (at which meeting he or she may be eligible for re-election as director). No Director other than the Managing Director may hold office for longer than 3 years without submitting himself or herself for re-election.

## **12. Powers of Directors**

The business of the Company is to be managed by or under the direction of the Directors.

**13. Remuneration of Directors**

The Company may pay non-executive Directors a maximum of the total amount as determined by the Shareholders in General Meeting and such sum must not be paid by way of commission on, or percentage of, profits or operating revenue.

The remuneration of executive Directors will be subject to the provisions of any contract between each of them and the Company and may pay such additional remuneration or provide such benefits to that Director as the Directors resolve but will not be by way of commission on, or percentage of, operating revenue.

**14. Execution of documents**

In accordance with the Corporations Act, the Constitution provides for execution of documents by the Company without the use of the Company's company seal.

**15. Dividends**

The Directors may fix the amount, the time for payment and the method of payment of a dividend. Subject to any special rights attaching to shares (such as preference shares), the method of payment of a Dividend may include any or all of the payment of cash, the issue of Shares or other securities, the grant of options and the transfer of assets.

The Company is not required to pay any interest on dividends.

**16. Indemnities and insurance**

To the extent permitted by law, the Company indemnifies every person who is or has been a Director or secretary of the Company against a liability incurred by that person in his or her capacity as a Director or secretary provided that the liability does not arise out of conduct involving a lack of good faith (otherwise referred to as an excluded liability). A similar indemnity is provided in respect of legal proceedings. The Company may also pay the premiums on directors' and officers' liability insurance.

**17. Restricted Securities**

A holder of Restricted Securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX. A holder of Restricted Securities will not be entitled to participate in any return of capital on those Securities during the escrow period applicable to those Securities except as permitted by the Listing Rules or ASX.

For personal use only

# 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 **1.30pm (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/#/loginsah>

or scan the QR code below using your smartphone

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



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

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

#### BY FACSIMILE:

+61 2 8583 3040

#### All enquiries to Automic:

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

**PHONE:** 1300 288 664 (Within Australia)

+61 2 9698 5414 (Overseas)

