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**CAPRAL**  
ALUMINIUM

# NOTICE OF 2024 ANNUAL GENERAL MEETING OF SHAREHOLDERS

CAPRAL LIMITED  
ABN 78 004 213 692

For personal use only



# Notice of 2024 Annual General Meeting of Shareholders

Notice is given that the Annual General Meeting (**AGM**) of Shareholders of Capral Limited (ABN 78 004 213 692) (**Capral**) will be held at 10.00am (Sydney Time) on Wednesday 8 May 2024 as a virtual meeting (**Meeting**).





## Business

### Statutory Reports

Capral's Financial Report and Directors' Report and the Independent Auditor's Report to the Members of Capral (the **Reports**) for the year ended 31 December 2023 will be presented for consideration.

The Reports are contained within Capral's 2023 Annual Report which can be accessed on Capral's website at: <https://capral.com.au/investor-centre/reports-and-presentations>

### Questions

Following the consideration of the Reports, the Chairman of the AGM (**Chairman**) will give shareholders a reasonable opportunity to ask questions about or comment on Capral related matters.

The Chairman will also give shareholders a reasonable opportunity to ask the Auditor questions relevant to the audit and financial statements, and give the Auditor (Deloitte Touche Tohmatsu, P.O. Box 38, Parramatta NSW 2124, Attention Xenia Delaney) a reasonable opportunity to answer written questions submitted by shareholders that are relevant to the Independent Auditor Report or audit.

### Resolution 1. Re-election of Director – Mark White

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

*"That Mark White, who retires from the Board in accordance with article 69 of the Company's Constitution and ASX Listing Rule 14.5 and being eligible offers himself for re-election, be re-elected as a director."*

### Resolution 2. Adoption of Remuneration Report

To consider and, if thought fit, pass the following as an ordinary non-binding **resolution** of the Company:

*"That, Capral's Remuneration Report, included in the Directors' Report for the financial year ended 31 December 2023, be adopted."*

### VOTING EXCLUSION STATEMENT

A vote on this Resolution 2 must not be cast (in any capacity) by or on behalf of the following persons:

- a) a member of Capral's Key Management Personnel (**KMP**) whose remuneration details are included in the 2023 Remuneration Report; or

- b) a Closely Related Party of a member of the KMP (including close family members and companies the KMP controls).

However, a person described above may cast a vote on Resolution 2 as a proxy if the vote is not cast on behalf of a person described above and either:

- a) the proxy appointment is in writing and specifies the way the proxy is to vote (e.g. for, against, abstain) on the resolution; or
- b) the vote is cast by the Chair of the Meeting and the appointment of the Chair as proxy:
  - i) does not specify the way the proxy is to vote on the resolution; and
  - ii) expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

In accordance with section 250BD of the Corporations Act 2001 (Cth), a vote must not be cast on Resolution 2 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chairman of the Meeting where the proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

See the Explanatory Memorandum for definitions of KMP and Closely Related Parties.

### Resolution 3. Issue of share rights and shares to Mr Anthony Dragicevich under Capral's long term incentive plan.

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

*"That, the issue to Anthony Dragicevich of:*

- a) up to 47,000 Share Rights on the terms set out in the Explanatory Memorandum; and
- b) shares in Capral subject to the vesting of those Share Rights, as and on the basis described in the Explanatory Memorandum,

*be approved for the purpose of ASX Listing Rule 10.14 and for all other purposes, including for the purpose of Section 200E of the Corporations Act in the event that the issue of shares constitutes a termination benefit in connection with his loss of office, on the terms set out in the Explanatory Memorandum."*

#### VOTING EXCLUSION STATEMENT

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- a) Anthony Dragicevich; or
- b) an associate of Anthony Dragicevich

Additionally, in accordance with ASX Listing Rule 14.11, the Company will also disregard any votes cast in favour of Resolution 3 by or on behalf of a person referred to in rule 10.14.1, 10.14.2, or 10.14.3 who is eligible to participate in the employee incentive scheme in question and an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 3 by:

- a) a person as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with the directions given to the proxy or attorney to vote on Resolution 3 in that way; or
- b) the Chairman of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with a direction given to the Chairman to vote on the Resolution as the Chairman 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 200E(2A) of the Corporations Act, Capral will disregard any votes cast on Resolution 3 (in any capacity) by or on behalf of Anthony Dragicevich or an associate (as defined in the Corporations Act) of Anthony Dragicevich.

In addition, in accordance with section 250BD(1) of the Corporations Act, a person who has been appointed as a proxy must not vote on Resolution 3 if the person is a member of the KMP at the date of the AGM, or a closely related party of a member of the KMP, unless the proxy appointment specifies the way the proxy is to vote on the resolution. This restriction on voting undirected proxies does not apply to the Chairman where the proxy appointment expressly authorises the Chairman to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of a member of the KMP.

## Resolution 4. Change of Auditor

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

*"That, for the purposes of section 327B(1)(a) of the Corporations Act 2001 (Cth) and for all other purposes, KPMG, having consented in writing to act in the capacity of auditor, be appointed as the Company's auditor with effect from the conclusion of this Meeting."*

**By order of the board**



**Tertius Campbell**  
Chief Financial Officer and  
Company Secretary Sydney  
27 March 2024

## Attendance & Voting at the Meeting

In accordance with Corporations Regulation 7.11.37, the Board has determined that Capral shares are taken, for the purposes of determining the right of shareholders to attend and vote at the AGM, to be held by persons who held them at 7:00 pm (Sydney time) on **Monday 6 May 2024**. If you are not the registered holder of a relevant share at that time you will not be entitled to vote in respect of that share.

Shareholders will be able to attend and participate in the AGM Webinar:

- From their computer, by entering the URL into their browser: <https://meetnow.global/MJWDR4A>; and
- From their mobile device by entering the URL in their browser: <https://meetnow.global/MJWDR4A>

## Accessing the AGM Webinar

We recommend logging in to the AGM Webinar at least 15 minutes prior to the scheduled start time for the Meeting using the instructions below:

- 1) Enter: <https://meetnow.global/MJWDR4A> into a web browser on your computer or online device.
- 2) You will need your Shareholder Reference Number (SRN) or Holder Identification Number (HIN) (this is printed at the top of your Proxy Form).
- 3) If your holding is registered to an Australian address, your password is your postcode. If your holding is registered to an overseas address, you should refer to the online meeting user guide for more information.
- 4) Proxyholders will need to obtain a username and password by contacting Computershare Investor Services on +61 3 9415 4024 during the online registration period which will open 1 hour before the start of the Meeting. For further instructions on how to participate online please review the online meetings user guide at: <http://www.computershare.com.au/virtualmeetingguide>

## Questions & Comments

Following consideration of the Reports, the Chairman will give shareholders a reasonable opportunity to ask questions about, or comment on the management of the Company.

The Chairman will also give shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- a) the conduct of the audit;
- b) the preparation and content of the Independent Auditor's Report;
- c) the 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.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by shareholders that are relevant to the content of the Independent Auditor's Report or the conduct of the audit.

All shareholders will have a reasonable opportunity to ask questions during the AGM via the virtual AGM platform.

Shareholders who prefer to register questions in advance of the AGM are invited to do so. Please email any questions to the Company Secretary ([InvestorRelations@capral.com.au](mailto:InvestorRelations@capral.com.au)) or please complete the enclosed shareholder question form and return to the Share Registry. To allow time to collate questions and prepare answers, please submit any questions by 5.00pm (Sydney time) 1 May 2024.

Questions received in advance by email or mail will be collated and, during the AGM, the Chairman will seek to address as many of the more frequently raised topics as possible. However, there may not be sufficient time available at the AGM to address all topics raised. Please note that individual responses will not be sent to shareholders. Shareholders will also have the opportunity to ask questions during the AGM via the AGM Webinar.

## Voting

There are a number of ways in which you can exercise your vote. You can:

- 1) cast your vote before the Meeting electronically;
- 2) cast your vote virtually at the AGM Webinar; or
- 3) appoint a proxy before the Meeting electronically or by submitting the Proxy Form provided with this Notice of Meeting.

Detailed instructions on the above options are set out in this Notice of Meeting.

Voting on each of the proposed resolutions at the AGM will be conducted by a poll, rather than on a show of hands. Upon a poll, every person who is present in person or by proxy, or by representative or by attorney, will have one vote for each share held by that person.

Subject to the abstentions noted below, the Directors unanimously recommend Shareholders vote in favour of all resolutions. The Chair of the Meeting intends to vote all available undirected proxies in favour of each resolution.

Resolution 1, 3 and 4 are ordinary resolutions, which require a simple majority of votes cast by Shareholders present and entitled to vote on the resolutions.

Resolution 2, relating to the Remuneration Report, is advisory and does not bind the Directors or the Company.

The business of the AGM affects your shareholding and your vote is important. You may vote online, by proxy or personal representative.

### Voting Online

You can cast your vote electronically either before the Meeting or during the Meeting as set out below.

#### ONLINE VOTING BEFORE THE MEETING

You can cast your vote before the Meeting at [www.investorvote.com.au](http://www.investorvote.com.au).

### Voting by Proxy

A shareholder who is entitled to attend and vote at the AGM may appoint a person, who need not be a shareholder of Capral, as the shareholder's proxy to attend and vote on behalf of the shareholder.

If you are entitled to cast two or more votes, you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you do not specify a proportion or number, each proxy may exercise half of the votes. If you require a second proxy form, please contact Capral's share registry Computershare Investor Services Pty Limited on **1300 855 080** (within Australia) or **+61 3 9415 4000** (outside Australia).

A proxy form accompanies this Notice. Should you wish to appoint a proxy, please complete the proxy form and return it (and any supporting documents attached) by no later than 10:00 am (Sydney time) on Monday, 6 May 2024 by one of the following methods:

- **online**, lodge the Proxy Form online at [www.investorvote.com.au](http://www.investorvote.com.au) and follow the prompts. To use the online lodgment facility, Shareholders will need their Securityholder Reference Number (**SRN**) or Holder Identification Number (**HIN**) as shown on the front of the Proxy Form.
- **by mail** to Capral's share registry, Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, VIC 3001, Australia (a reply paid envelope is enclosed with this Notice of Meeting); or
- **by mail** to Capral's registered office, c/o Company Secretary, 71 Ashburn Road, Bundamba, QLD 4304, Australia or to Capral's share registry, Computershare Investor Services Pty Limited, Level 3, 60 Carrington Street, Sydney, NSW 2000, Australia; or
- **by facsimile** to Capral's share registry, Computershare Investor Services Pty Limited, facsimile number: **1800 783 447** (within Australia) or **+61 3 9473 2555** (outside Australia).

## The Chairman will vote undirected proxies in favour of all resolutions

If you appoint the Chairman as your proxy, or the Chairman is appointed your proxy by default, and the proxy form does not specify whether to vote "For", "Against" or "Abstain", your appointment will be taken as a direction to the Chairman to vote in accordance with his stated voting intention, which is to vote in favour of all resolutions.

Shareholders always have the ability to appoint the Chairman as their proxy and direct him to vote contrary to the Chairman's stated voting intention or to abstain from voting on a resolution.

The Chairman intends to vote any undirected proxy in favour of all resolutions including, Resolution 2 (Adoption of Remuneration Report), Resolution 3 (Issue of Share Rights and Shares to Anthony Dragicevich) and Resolution 4 (Change of Auditor).

## Appointment of other Key Management Personnel as your proxy

Due to the voting exclusions and requirements referred to in the Notice of Meeting, if you intend to appoint any other KMP or their Closely Related Parties as your proxy, you are encouraged to direct your proxy on how to vote on Resolution 2 (Adoption of Remuneration Report), Resolution 3 (Issue of Share Rights and Shares to Anthony Dragicevich) and Resolution 4 (Change of Auditor) by marking either "For", "Against" or "Abstain" on the proxy form for the relevant item of business.

## Definitions

**Closely Related Parties** are any of the following people:

- a spouse or child of the KMP;
- a child of the KMP's spouse;
- a dependent of the KMP or the KMP's spouse;
- anyone else who is a member of the KMP's family who may be expected to influence, or be influenced by the KMP, in the KMP's dealings with Capral; and
- a company controlled by the KMP.

**Key Management Personnel (KMP)** are those people described as KMP, and whose remuneration details are included in, Capral's Remuneration Report for the financial year ended 31 December 2023 and includes all directors.

**Remuneration Report** means Capral's Remuneration Report included in the Directors' Report for the financial year ended 31 December 2023.

## Attorney

If the appointment is signed by an attorney, the original power of attorney or a certified copy of it must be sent with the proxy form, unless it has been provided previously to Computershare Investor Services Pty Limited.

## Corporate Representatives

A body corporate that is a shareholder, or that has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. Such appointment must comply with the requirements under section 250D of the Corporations Act. The representative should bring to the AGM a properly executed letter or other document confirming its authority to act as body corporate's representative.

## Technical difficulties

Technical difficulties may arise during the course of the Meeting. The Chair has discretion as to whether and how the Meeting should proceed in the event that a technical difficulty arises. In exercising their discretion, the Chair will have regard to the number of Shareholders impacted and the extent to which participation in the business of the Meeting is affected.

Where they consider it appropriate, the Chair may continue to hold the Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, Shareholders are encouraged to lodge a proxy not later than 48 hours before the commencement of the Meeting.



## Explanatory Memorandum

This explanatory memorandum has been prepared to assist shareholders to understand the business to be put to shareholders at the AGM and forms part of the Notice of Meeting.

### Statutory Reports and shareholder questions

The Financial Report, Directors' Report and Auditor's Report for Capral for the year ended 31 December 2023 will be laid before the AGM in accordance with section 317 of the Corporations Act.

The Chairman will allow a reasonable opportunity for shareholders to ask questions or make comments about those reports and about the management of Capral in accordance with section 250S of the Corporations Act. Shareholders will also be given a reasonable opportunity to ask the Auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report in accordance with section 250T of the Corporations Act.

## Resolutions

### Resolution 1. Re-election of Director – Mark White

ASX Listing Rule 14.5 provides that an entity must hold an election of directors at each annual general meeting. The Company's Constitution sets out the requirement for determining which Directors are to retire by rotation at an annual general meeting.

Mark White was appointed as a non-executive director of Capral on 1 September 2021 and was elected on 27 April 2022. Mark retires by rotation and being eligible seeks re-election. If shareholders do not approve the re-election of Mark White he will cease to be director at the end of the AGM.

Mark White has extensive experience in the aluminum and building materials sectors with his most recent role being General Manager of Gove Aluminum Finance Limited. Mr White has more than 10 years' experience as an Executive Director on the Board of Tomago aluminum smelter and has held a number of senior positions in CSR Limited's building products businesses and has over 20 years of experience across a number of manufacturing industries.

The Board has also considered whether Mark White has any interest, position or relationship that may interfere with his independence as a Director, having regard to the relevant factors as set out in the ASX Corporate Governance Council Principles & Recommendations (4th edition). The Board considers that Mark White (if elected), will continue to be an independent Director.

Mark White is a member of the Audit & Risk and the Remuneration & Nomination Committees. Prior to submitting himself for election, Mark White has confirmed that he would continue to have sufficient time to properly fulfil his duties and responsibilities to the Company.

The Board supports the election of Mark White as he will contribute to the Board significant experience in the areas of Aluminium, Building and Manufacturing.

For the reasons set out above, the Directors, with Mark White abstaining, unanimously recommend Shareholders vote in favour of Resolution 1.

## Resolution 2 – Adoption of Remuneration Report

The Remuneration Report (which forms part of the Directors' Report) sets out Capral's remuneration for Capral's KMPs.

Section 250R(2) of the Corporations Act requires that the section of the Directors' Report dealing with the remuneration of Directors and key management personnel (**KMP**) of the Company (**Remuneration Report**) be put to the vote of Shareholders for adoption by way of a non-binding vote.

Following consideration of the Remuneration Report, the Chair of the Meeting will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report. A resolution that the Remuneration Report be adopted will then be put to the vote.

Shareholders can view the full Remuneration Report in the Annual Report which is available on the Company's website at: <https://www.capral.com.au/investor-centre/reports-and-presentations/>

### NON-BINDING RESOLUTION ON REMUNERATION REPORT

The resolution to adopt the Remuneration Report is advisory only and will not bind the directors or Capral, however, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

The Directors abstain, in the interests of good corporate governance, from making a recommendation in relation to Resolution 2.

## Resolution 3 – Issue of Share Rights to Mr Anthony Dragicevich

Mr Dragicevich was appointed to the Board on 15 April 2013.

The Board values the contribution of Mr Dragicevich and considers it to be in the best interests of Capral to align Capral's Managing Director with the interests of shareholders and retain his services.

ASX Listing Rule 10.14 requires shareholder approval by ordinary resolution before a director can be issued securities under an employee incentive scheme.

Shareholder approval is sought for the issue of Share Rights to Mr Dragicevich under Capral's Long Term Incentive Plan 2024. Specific details of the proposed issue are set out below.

A Share Right is a right to be issued one Capral ordinary share (**Share**) for nil exercise price upon the satisfaction of certain vesting conditions. 1 Share Right converts into 1 Share upon vesting.

The Board, in its discretion, may satisfy some or all of the Share Rights by acquiring existing Shares rather than issuing new Shares. Alternatively, the Board may determine to make a cash payment in lieu of the issue or transfer of Shares.

### NUMBER OF SHARE RIGHTS AND ISSUE PRICE

If Resolution 3 is passed, then, Capral will issue up to 47,000 Share Rights to Mr Dragicevich for nil consideration.

The Share Rights are subject to vesting criteria over a three-year performance period from 1 January 2024 to 31 December 2026.

### TIMING OF GRANT AND VESTING

The grant date of the Share Rights will be on or about the date of shareholder approval, but in any event no later than 3 years after the AGM. The vesting date of the Share Rights will be 1 March 2027 (subject to satisfaction of the continuous service requirements and the vesting criteria).

## VESTING CONDITIONS

Vesting of the Share Rights is subject to the following performance hurdles:

- 50% of the Share Rights are subject to an Earnings Per Share (EPS) performance condition; and
- 50% of the Share Rights are subject to a Total Shareholder Return (TSR) performance condition.

## EPS PERFORMANCE CONDITION

An EPS target is set each year based on the Net Profit After Tax Target specified by the Board (adjusted for any extraordinary items approved by the Board) divided by the weighted average number of securities on issue during the year.

The Net Profit After Tax Target used for this condition is set at least at minimum Budget level. The Board may adjust EPS to exclude the effects of material business acquisitions or divestments and certain one-off items. Adjustments would be disclosed.

Performance is measured over three years and tested every year. For the Share Rights to vest, actual performance over the three-year performance period must meet, in aggregate, the three annual targets combined (even if the target in any individual year(s) is not met) as set out below:

EPS TARGET RANGE	% RIGHTS VESTING
5% below target	50
More than 5% below target	None
Between 5% below target to 10% above target	Between 50 and 100 (pro rata)
10% above target and higher	100

## TSR PERFORMANCE CONDITION

The TSR performance condition is measured against entities with ordinary shares and units (as the case may be) included in the S&P/ASX All Ordinaries Index as at 1 January 2024 but excluding those companies who are classified in the Global Industry Classification Standard sector number 40.

The number of Share Rights subject to the TSR performance condition which may vest will be determined by comparing Capral's TSR against the TSR of each member of this comparator group over the three year performance period from 1 January 2024 to 31 December 2026, and the percentile position of Capral within that comparator group as set out below:

PERCENTILE OF TSR	% RIGHTS VESTING
Less than 50th	None
50th	50
More than 50th less than 75th	Between 50 and 100 (pro rata)
75th and higher	100

## TREATMENT OF SHARE RIGHTS ON CESSATION OF EMPLOYMENT

The Share Rights will lapse on termination of Mr. Dragicevich's employment except in special circumstances (such as death, permanent disability, retirement, and redundancy) where the Board retains discretion, and then when determining the number of Share Rights that vest, having regard to his performance up until the termination date and the proportion of the unexpired performance period.

## CLAWBACK

The Board has discretion to forfeit some or all of the Share Rights and recover some or all Shares issued on vesting of the Share Rights in certain circumstances, including in the event of fraud, material misstatement or misrepresentation of Capral's financial results.

## DIVIDEND RIGHTS

Share Rights confer no rights to dividends or other distributions, or to participate in a new offer of shares unless and until the Share Rights have vested and Shares are issued by Capral.

## CHANGE OF CONTROL

If there is a change of control, the Board has discretion to convert all or any Share Rights to Shares whether or not Performance Conditions have been met.

## OTHER INFORMATION

For the purposes of ASX Listing Rule 10.15, the following additional information is provided for shareholders.

- As Mr Dragicevich is a Director of Capral, under Listing Rule 10.14.1, shareholder approval is required for Mr Dragicevich to acquire equity securities under the employee incentive scheme.  
The proposed maximum number of Share Rights (and subsequently, the maximum number of Shares) that may be acquired by Mr Dragicevich under the Plan and for which shareholder approval is sought is 47,000 Share Rights.
- Mr Dragicevich's current total remuneration package for FY24 comprises:
  - a fixed base salary of A\$769,900 (including superannuation);
  - a variable short-term incentive (bonus) of up to \$769,900, of which any amount above \$384,950 is to be comprised of deferred equity, which Capral may satisfy through the purchase of ordinary shares on-market as allowed under ASX Listing Rule 10.16 or through an issue after obtaining shareholder approval; and
  - a variable long-term incentive of up to \$384,950 worth of Share Rights, the subject of this Resolution 3.
- The following securities have been previously issued to Mr Dragicevich for nil average acquisition price under Capral's Long-Term Incentive Plan:
  - 44,400 Share Rights were issued to Mr Dragicevich under the 2023 scheme, following shareholder approval at the 2023 AGM. The acquisition price for those Share Rights was nil.
  - 49,000 Share Rights were issued to Mr Dragicevich under the 2022 scheme, following shareholder approval at the 2022 AGM. The acquisition price for those Share Rights was nil.
  - 86,300 Share Rights were issued to Mr Dragicevich under the 2021 scheme, following shareholder approval at the 2021 AGM. The acquisition price for those Share Rights was nil.
  - 102,670 Share Rights were issued to Mr Dragicevich under the 2020 scheme, following shareholder approval at the 2020 AGM. The acquisition price for those Share Rights was nil.
  - 78,330 Share Rights were issued to Mr Dragicevich under the 2019 scheme, following shareholder approval at the 2019 AGM. The acquisition price for those Share Rights was nil.
  - 73,330 Share Rights were issued to Mr Dragicevich under the 2018 scheme, following shareholder approval at the 2018 AGM. The acquisition price for those Share Rights was nil.
  - 67,670 Share Rights were issued to Mr Dragicevich under the 2017 scheme, following shareholder approval at the 2017 AGM. The acquisition price for those Share Rights was nil.
  - 83,330 Share Rights were issued to Mr Dragicevich under the 2016 scheme, following shareholder approval at the 2016 AGM. The acquisition price for those Share Rights was nil.
  - 83,330 Share Rights were issued to Mr Dragicevich under the 2015 scheme, following shareholder approval at the 2015 AGM. The acquisition price for those Share Rights was nil.
  - 66,670 Share Rights were issued to Mr Dragicevich under the 2014 scheme, following shareholder approval at the 2014 AGM. The acquisition price for those Share Rights was nil.
- The Share Rights are not quoted on the ASX and carry no voting or dividend rights. Shares issued on vesting of the Share Rights will rank equally with fully paid ordinary shares on issue.
- The Share Rights will be issued to Mr Dragicevich on or about the date of the AGM, but in any event no later than 3 years after the AGM.
- The issue price for the Share Rights is nil and no money is payable by Mr Dragicevich for a Share on the vesting of a Share Right. Accordingly, no funds will be raised from the issue or conversion of the Share Rights.



- No loans will be made in relation to the acquisition of the Share Rights or Shares by Mr Dragicevich.
- Details of any securities issued under Capral's Long-Term Incentive Plan will be published in Capral's annual report relating to the period in which the securities were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under Capral's Long-Term Incentive Plan after this Resolution 3 is approved and who are not named in this notice of meeting, will not participate until approval is obtained under Rule 10.14.

A summary of the material terms of the Share Rights are outlined above and at Attachment A in this Explanatory memorandum.

The Share Rights are being issued to incentivise Mr Dragicevich to deliver the Company's growth strategy and drive financial performance in the interests of shareholders. The Board is satisfied that Mr Dragicevich's remuneration arrangements are competitive relative to ASX market and industry peers.

- The value that the Company attributes to the Share Rights being issued is \$384,950 and is calculated using the 12-month Volume Weighted Average Price (**VWAP**) on 1 January 2024.
- A voting exclusion statement is set out under the wording of Resolution 3 in this notice of meeting.

ASX Listing Rule 7.1 imposes a 15% cap on the number of equity securities that can be issued by Capral without approval of shareholders in any rolling twelve-month period. However, Capral can exclude from the calculation of the 15% limit any securities issued in reliance on an exception to Listing Rule 7.1 or with the approval of shareholders.

If Resolution 3 is passed, any Share Rights and any Shares issued on vesting of those rights will be excluded from the calculation of the 15% limit in reliance on Exception 14 in Listing Rule 7.2.

## ACCELERATED VESTING AND POTENTIAL TERMINATION BENEFIT

As noted above, the Share Rights may vest on an accelerated basis in certain circumstances. The accelerated vesting of the Share Rights in these circumstances may be considered a retirement benefit.

Section 200B of the Corporations Act requires Capral to obtain shareholder approval before giving a benefit to a director in connection with the director's retirement from office unless the benefit falls within certain exceptions set out in the Corporations Act. A payment will only fall within those exceptions if the amount is less than a prescribed multiple of the director's base remuneration and if the nature of the payment falls within one of the categories set out in the Corporations Act. It is unlikely that these exemptions would apply.

Capral therefore seeks shareholder approval under section 200E of the Corporations Act to enable it to provide these benefits if it chooses.

The total value of the termination benefits that may accrue to Mr Dragicevich will depend on the market price of Capral Shares at the time the Share Rights vest.

## EFFECT OF NOT APPROVING ISSUE OF THE SHARE RIGHTS

If shareholders do not approve the proposed issue of Share Rights to Mr Dragicevich under Resolution 3, the proposed award of Share Rights to him will not proceed and the Board will need to consider alternative remuneration arrangements.

The Board considers it to be important for Capral to be able to offer the Share Rights to the Managing Director as they are in line with market practice and ensure that Capral can attract and retain the right talent and align Mr Dragicevich's interests with those of shareholders.

The Board (with Mr Dragicevich abstaining) considers that the award of Share Rights to Mr Dragicevich is an appropriate incentive which is in the best interests of Capral.

## **Resolution 4 – Change of external Auditor**

Under the Corporations Act, shareholder approval is required for the appointment of a new auditor.

Deloitte Touche Tohmatsu (Deloitte) is currently the Company's auditor.

Following a competitive tender process, the Board has selected KPMG Australia (KPMG) to be appointed as the new auditor of the Company and KPMG has consented to the appointment. Deloitte has agreed to resign as auditor with effect from the close of the Annual General Meeting and will seek consent from ASIC for the resignation in accordance with section 329(5) of the Corporations Act prior to the Annual General Meeting.

Section 328B(1) of the Corporations Act requires that written notice of nomination of a new auditor be received from a member of the Company. The Company has received such a nomination from Anthony M Dragicevich who is a member and Director of the Company, nominating the proposed new auditor. A copy of this nomination is set out in Annexure B to this Notice of Meeting. If Resolution 4 is approved, the appointment of KPMG as the Company's new auditor will take effect at the close of this Annual General Meeting.

The Board recommends that shareholders vote in favour of the appointment of KPMG as the Company's auditor.

## Attachment A

### Summary of the key terms of the Capral Limited Long Term Incentive Plan

The terms of the Capral Equity Incentive Plan are set out in the Plan Rules.

The Plan provides flexibility for the Company to grant options to acquire Shares, rights to acquire Shares and/or Shares as incentives (Awards), subject to the terms of individual offers.

A summary of the key terms of the Plan is set out in the table below.

TERM	DESCRIPTION
<b>Eligibility</b>	The Board has the discretion to determine which employees are eligible to participate in the Plan, and the number and type of Awards that they will be offered (Plan Eligible Employee). The definition of employee under the Plan rules includes any permanent employee (either full-time or part-time) or a director of the Group or any other person whom the Board determines to be eligible to participate in the Plan.
<b>Awards</b>	<p>The Board has the discretion to set the terms and conditions on which it will offer Awards under the Plan.</p> <p>The Board may determine that the Awards will be subject to performance, service, or other conditions which must be satisfied or waived before the Award vests (Vesting Conditions) and, if so, will specify those Vesting Conditions in the invitation to each Plan Eligible Employee.</p> <p>In addition, the Board may determine that Awards in the form of options or rights will be subject to further conditions which must be satisfied or waived before vested options or rights may be exercised (Exercise Conditions).</p> <p>The Board may, at its discretion, vary, reduce or waive any Vesting Conditions and/or Exercise Conditions attaching to Awards at any time, subject to applicable law.</p>
<b>Acquisition Price</b>	The grant of Awards under the Plan may be subject to the payment of an acquisition price by the participant as determined by the Board, or otherwise Awards may be granted at no cost to the participant.
<b>Exercise price</b>	The exercise of Awards in the form of options or rights may be subject to payment of an exercise price by the participant as determined by the Board.
<b>Shares as an Award or on vesting of an Award</b>	Shares granted under the Plan or issued or transferred on the exercise of options or rights will rank equally in all respects, and carry the same rights and entitlements, as other issued Shares, including dividend and voting rights.
<b>Vesting of Shares</b>	Shares granted under the Plan which have not been forfeited under the Plan will vest if and when any applicable Vesting Conditions have been satisfied or waived by the Board.

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TERM	DESCRIPTION
<b>Vesting and exercise of options and rights</b>	<p>Awards which have not lapsed under the Plan will vest if and when any applicable Vesting Conditions have been satisfied or waived by the Board. However, vested options or rights will not become exercisable until any applicable Exercise Conditions have been satisfied or waived by the Board.</p> <p>Following the valid exercise of an option or right, the Company will issue or arrange the transfer of such number of Shares to the participant that relate to the option or right being exercised. Alternatively, the Board may determine to make a cash payment in lieu of the issue or transfer of Shares.</p>
<b>Forfeiture / lapse of Awards</b>	<p>Unless otherwise determined by the Board, a Share granted under the Plan will be forfeited, and an option or right will lapse, in certain circumstances including:</p> <ul style="list-style-type: none"> <li>• where the Board determines that any Vesting or Exercise Condition applicable to the Award cannot be satisfied;</li> <li>• in the case of an option or right, on the Expiry Date applicable to the option or right;</li> <li>• in certain circumstances if the participant's employment is terminated (see 'Cessation of employment' below);</li> <li>• if the Board determines that the Award is liable to clawback (see 'Clawback and malus' below)</li> <li>• if the Board determines that the Award will be forfeited or lapse in the event of a change of control in respect of the Company; and</li> <li>• where the participant purports to dispose of the Award or enter into any arrangement in respect of the Award, in breach of any disposal or hedging restrictions.</li> </ul>
<b>Participation rights of options and rights</b>	<p>Options and rights do not confer the right to participate in new issues of Shares or other securities in the Company.</p> <p>However, subject to the Listing Rules, the Plan provides for adjustments to be made to the number of Shares which a participant would be entitled on the exercise of options or rights or the exercise price (if any) of the options or rights in the event of a bonus issue or pro-rata issue to existing holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) or a reorganisation of capital.</p>
<b>Restrictions</b>	<p>Awards may not be sold, transferred, mortgaged, pledged, charged, granted as security or otherwise disposed of, without the prior approval of the Board, or unless required by law.</p> <p>Participants must not enter into any arrangement for the purpose of hedging, or otherwise affecting their economic exposure to any unvested Shares, or options or rights.</p>



TERM	DESCRIPTION
<b>Quotation</b>	Awards, except Shares, will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the Plan, in accordance with the Listing Rules.
<b>Cessation of employment</b>	The Board has discretion to determine, subject to compliance with applicable law, the treatment of an Award if a participant ceases to be employed by a Group Company prior to the vesting or exercise of an Award, or an Award ceasing to be subject to any disposal restrictions as a term of the invitation or at the time of cessation.
<b>Clawback and malus</b>	The Plan provides the Board with broad clawback powers. If, for example, the Board becomes aware of a material misstatement in the Company’s financial statements, that a participant has committed an act of fraud, negligence or gross misconduct or failed to comply in a material respect with any restrictive covenant or that some other event has occurred which, as a result, means that a participant’s Award should be reduced or extinguished, or should not vest, then the Board may clawback or adjust any such Award at its discretion to ensure no unfair benefit is derived by the participant.
<b>Change of control</b>	If a change of control event occurs with respect to the Company, the Board may determine, in its discretion, the manner in which all unvested Shares, or options or rights, will be dealt with.





# Attachment B

## Notice of Nomination of Auditor Capral Limited

31 January 2024

Company Secretary  
Capral Limited  
InvestorRelations@capral.com.au

Dear Mr Campbell,

NOMINATION OF KPMG AS AUDITOR OF CAPRAL LIMITED (ABN 78 004 213 692)

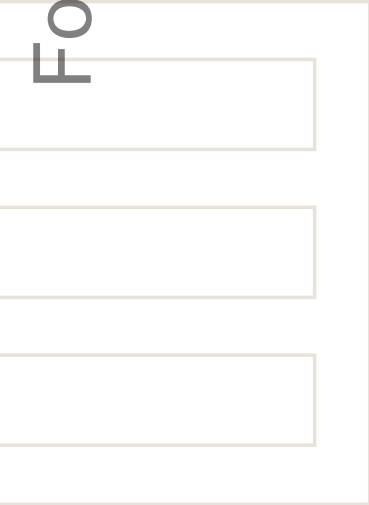
I, Anthony Matthew Dragicevich, being a shareholder and director of Capral Limited, nominate KPMG for the appointment as auditor of Capral Limited at its 2024 Annual General Meeting.

I consent to the distribution of a copy of this notice of nomination as an attachment to the Notice of Meeting and Explanatory Notes for the 2024 Annual General Meeting of Capral Limited as required by section 328B(3) of the Corporations Act 2001 (Cth).

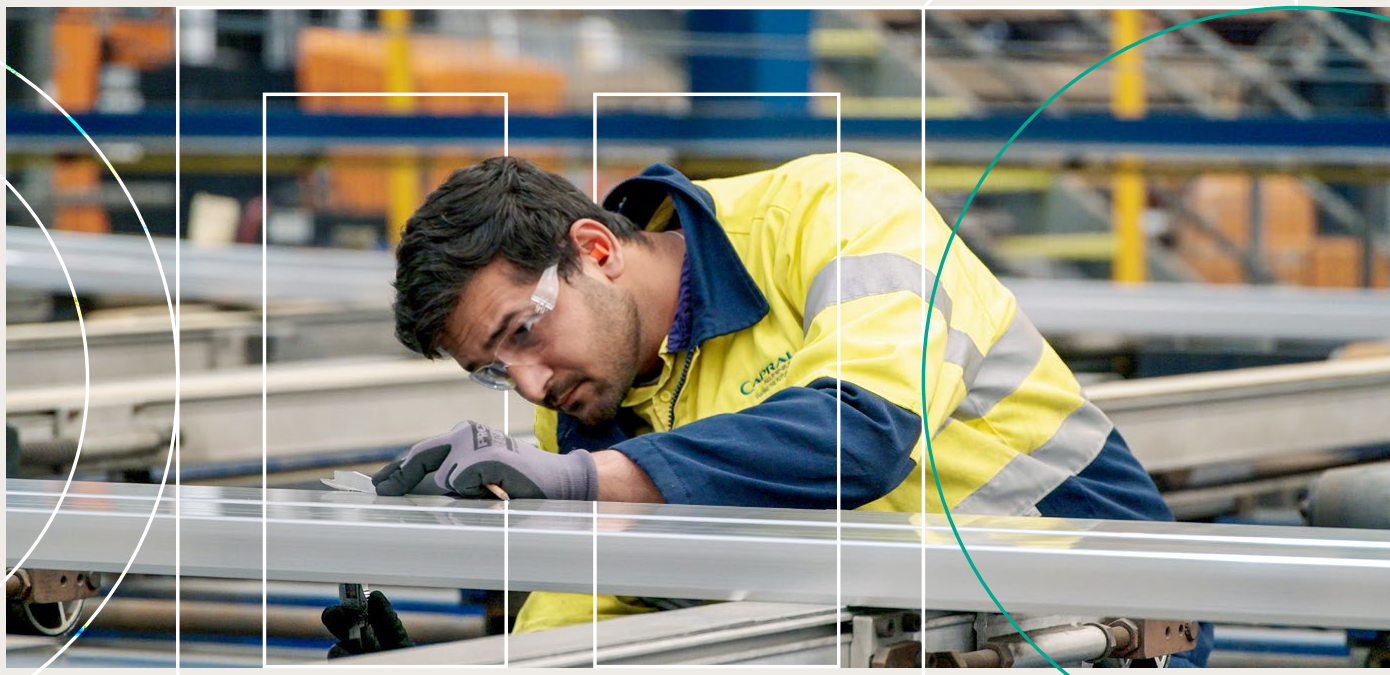
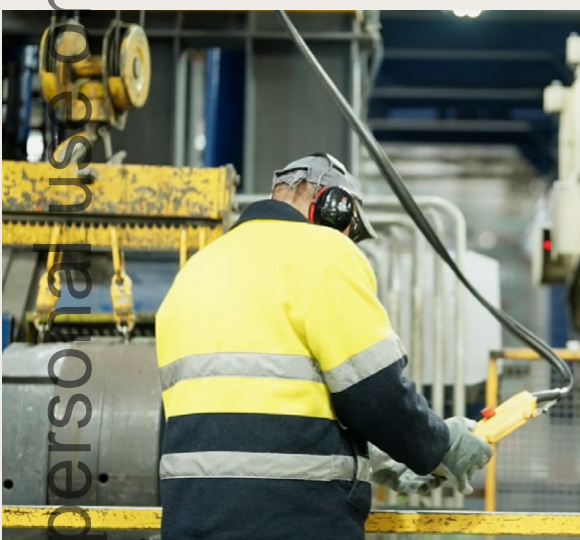
Yours faithfully,

Anthony Matthew Dragicevich

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# CAPRAL

ALUMINIUM

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