

## Notice of Extraordinary General Meeting

SomnoMed Limited ACN 003 255 221  
(the **Company**)

Notice is given that an Extraordinary General Meeting of the Company will be held at Level 2, 20 Clarke Street, Crows Nest NSW 2065 at 10.00am AEST on 27 June 2024 for the purpose of transacting the business set out in this Notice.

### Business

#### **Resolution 1 – Issue of Options under the Employee Share Option Plan 2021 to Ms Amrita Blickstead**

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

*That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue of 1,925,000 Zero Exercise Price Options to Ms Amrita Blickstead under the Employee Share Option Plan 2021 on the terms described in the Explanatory Notes to this Notice of EGM, is approved.*

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on the resolution.

#### **Voting exclusion statement:**

*The Company will disregard any votes cast in favour of the Resolution by or on behalf of:*

- (a) Ms Amrita Blickstead and her nominee(s), and other persons referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question; or*
- (b) an associate of those persons.*

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

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

## Resolution 2 – Issue of Options under the Employee Share Option Plan 2021 to Ms Karen Borg

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

*That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue of 1,925,000 Zero Exercise Price Options to Ms Karen Borg under the Employee Share Option Plan 2021 on the terms described in the Explanatory Notes to this Notice of EGM, is approved.*

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on the resolution.

### **Voting exclusion statement:**

*The Company will disregard any votes cast in favour of the Resolution by or on behalf of:*

*(a) Ms Karen Borg and her nominee(s), and other persons referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question; or*

*(b) an associate of those persons.*

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

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

*(b) the Chair 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 Chair to vote on the Resolution as the Chair decides; or*

*(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*

*(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and*

*(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

**Resolution 3 – Approval of potential termination benefits to Ms Amrita Blickstead**

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

*Subject to the passing of Resolution 1, that for the purposes of Listing Rule 10.19 and sections 200B and 200E of the Corporations Act, and for all other purposes, the potential termination benefits in relation to the ZEPOs described in the Explanatory Memorandum which may become payable to Ms Amrita Blickstead (or her nominee(s)), be approved.*

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on the resolution.

**Voting exclusion statement:**

*The Company will disregard any votes cast in favour of the Resolution by or on behalf of:*

- (a) an officer of the Company or any of its child entities who is entitled to participate in a termination benefit; or*
- (b) an associate of that person.*

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

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

**Voting prohibition statement:**

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

- (a) Ms Amrita Blickstead; or*
- (b) an associate of Ms Amrita Blickstead.*

*However, this does not prevent the casting of a vote if:*

- (d) It is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolutions; and*
- (e) Is not cast on behalf of Ms Amrita Blickstead or her associate.*

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#### **Resolution 4 – Approval of potential termination benefits to Ms Karen Borg**

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

*Subject to the passing of Resolution 2, that for the purposes of Listing Rule 10.19 and sections 200B and 200E of the Corporations Act, and for all other purposes, the potential termination benefits in relation to the ZEPOs described in the Explanatory Memorandum which may become payable to Ms Karen Borg (or her nominee(s)), be approved.*

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on the resolution.

##### **Voting exclusion statement:**

*The Company will disregard any votes cast in favour of the Resolution by or on behalf of:*

- (a) an officer of the Company or any of its child entities who is entitled to participate in a termination benefit; or*
- (b) an associate of that person.*

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

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

##### **Voting prohibition statement:**

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

- (a) Ms Karen Borg; or*
- (b) an associate of Ms Karen Borg.*

*However, this does not prevent the casting of a vote if:*

- (d) It is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolutions; and*
- (e) Is not cast on behalf of Ms Karen Borg or her associate.*

## Appointment of Proxy

- (a) A member who is unable to attend and vote at the meeting may appoint a proxy by completing and returning the attached proxy form in the manner provided below. The proxy need not be a member of the Company.
- (b) If a member wishes to appoint a proxy, and is entitled to cast 2 or more votes, then the member may appoint 2 proxies, and may specify the proportion or number of votes each proxy may cast.
- (c) A proxy form (and the power of attorney (if any) under which it is signed) must be received at the registered office of the Company not less than 48 hours before the time of the holding of the meeting:
  - **By hand:** Boardroom Pty Limited – Level 8, 210 George Street, Sydney NSW 2000
  - **By mail:** Boardroom Pty Limited – GPO Box 3993, Sydney NSW 2001
  - **By facsimile:** (02) 9290 9655

## Corporate Representatives

Corporate members must either:

- appoint a proxy as set out above; or
- appoint a body corporate representative in accordance with the *Corporations Act 2001* (Cth).

The appointment of a body corporate representative must be produced at the meeting.

## Entitlement to Vote

For the purpose of the meeting, those members holding shares at 7.00pm AEST on 25 June 2024 will be voting members at the meeting.

## Further Information

This notice should be read in conjunction with the Explanatory Notes.

By the Order of the Board of Directors.



T. A. Flitcroft  
Company Secretary  
Dated: 20 May 2024

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# SomnoMed Limited ACN 003 255 221

## Explanatory Notes to Notice of EGM

### 1 Background

#### 1.1 Proposed issue

The Company proposes, subject to obtaining Shareholder approval, to issue:

- (a) 1,925,000 Zero Exercise Price Options (**ZEPOs**) to Ms Amrita Blickstead (or her nominee) under the Employee Share Option Plan 2021 and on the terms and conditions set out below; and
- (b) 1,925,000 ZEPOs to Ms Karen Borg (or her nominee) under the Employee Share Option Plan 2021 and on the terms and conditions set out below.

If approved, the offers of ZEPOs will be made under section 708 and Division 1A of Part 7.12 of the *Corporations Act 2001* (Cth) (**Corporations Act**).

#### 1.2 Related party considerations

According to section 208 of the Corporations Act, the giving of a financial benefit to a related party of a public company must be approved by the public company's members, unless the giving of the benefit falls within a relevant exception.

Under section 211 of the Corporations Act, member approval is not required if the benefit is given to an officer of the Company, and to give the remuneration would be reasonable, given the circumstances of the Company and the officer (including the responsibilities involved in their office).

The Board has considered whether the reasonable remuneration exception under section 211 of the Corporations Act will apply to the giving of a financial benefit to Ms Blickstead and Ms Borg under the Employee Share Option Plan 2021 (because of their participation in the plan and the grant of the ZEPOs to them) and has determined that shareholder approval under section 208 of the Corporations Act is not required, as the issue of ZEPOs forms part of the remuneration package for Ms Blickstead and Ms Borg and is considered reasonable remuneration for the purposes of section 211 of the Corporations Act.

### 2 Resolutions 1 and 2

Shareholder approval by ordinary resolution is sought for the issue of the ZEPOs to Ms Blickstead and Ms Borg in compliance with the following laws and rules:

#### 2.1 Exemption under ASX Listing Rule 7.1

ASX Listing Rule 7.1 requires shareholder approval by ordinary resolution for an issue of equity securities if, over a 12 month period, the amount of equity securities issued is more than 15% of the number of ordinary shares on issue at the start of that 12 month period.

ASX Listing Rule 7.2 Exception 14 provides that an issue of securities made with the approval of the holders of the entity's ordinary securities under rule 10.11 or 10.14 is an exception to the restriction in rule 7.1.

#### 2.2 Approval under ASX Listing Rule 10.14

ASX Listing Rule 10.11 provides that unless a relevant exception in rule 10.12 applies, an entity must not issue or agree to issue equity securities to a related party without the approval of the holders of its ordinary shares.

As directors of SomnoMed, Ms Blickstead and Ms Borg are related parties of SomnoMed, and therefore, absent any available exception, any issue or agreement to issue them the Options under the Employee Share Option Plan 2021 will require approval of SomnoMed's ordinary shareholders.

ASX Listing Rule 10.12 Exception 8 provides that an issue of equity securities under an employee incentive scheme made, or taken to have been made, with the approval of the holders of the entity's ordinary securities under rule 10.14 is an exception to the requirement in rule 10.11.

Shareholder approval is sought under ASX Listing Rule 10.14. If shareholder approval is not given then Ms Blickstead and Ms Borg will not receive the ZEPOs and the Company may need to consider alternative ways to incentivise each of them.

### 2.3 ASX Listing Rule 10.15 requirements

ASX Listing Rule 10.15 contains requirements for the content of a notice of meeting sent to Shareholders for the purposes of ASX Listing Rule 10.14 and the following information is set out for that purpose.

#### (a) Ms Amrita Blickstead

Listing Rule	Information required
10.15.1 – The name of the person.	Ms Amrita Blickstead or her nominee.
10.15.2 – Which category in rules 10.14.1 to 1.04.3 the person falls within and why.	Ms Amrita Blickstead is a Director and is therefore a related party under 10.14.1.
10.15.3 – The number and class of securities proposed to be issued to the person.	<p>The maximum number of ZEPOs to be issued to Ms Amrita Blickstead is 1,925,000.</p> <p>Conditional on shareholder approval, the Company proposes to issue Ms Amrita Blickstead with ZEPOs in 3 tranches as follows:</p> <ul style="list-style-type: none"> <li>- <b>Tranche one:</b> 750,000 ZEPOs will be issued within 1 month after shareholder approval is received to make the grant, which is expected to be in June 2024;</li> <li>- <b>Tranche two:</b> 575,000 ZEPOs will be issued on 1 July 2024; and</li> <li>- <b>Tranche three:</b> 600,000 ZEPOs will be issued on 1 July 2025.</li> </ul>
10.15.4 – Details of the director's current total remuneration package.	As co-CEO Ms Blickstead's total base remuneration is \$500,000 per annum (inclusive of superannuation), with a maximum opportunity of a bonus 50% of total base remuneration for each of the financial years ending on 30 June 2025 and 30 June 2026, subject to achievement of KPI's.
10.15.5 – The number of securities previously issued to the person under the scheme and the average acquisition price (if any) paid for those securities.	Ms Amrita Blickstead has also been issued with 185,000 options over Shares ( <b>Options</b> ), issued under the Non-Executive Share Option Plan 2021. These Options were issued for \$0.154 per Option, with an exercise price of \$2.00 per Option. None of these Options has vested.

Listing Rule	Information required																															
10.15.6 – A summary of the material terms of the securities, an explanation of why that type of security is being used and the value the entity attributes to that security and its basis.	<p>Refer to the <b>Annexure</b> of these Explanatory Notes for a summary of the material terms of the ZEPOs.</p> <p>The grant of the ZEPOs represent a cost effective and efficient means for the Company to provide an incentive to the participants.</p> <p>The indicative average valuation of \$0.26 per ZEPO is a theoretical valuation of each ZEPO using the Black-Scholes Model.</p> <p>The Company's internal management have valued the ZEPOs proposed to be granted to the Participating Directors using the Black-Scholes Model. The value of an option or right calculated by the Black-Scholes Model is a function of a number of variables. The valuation of the ZEPOs has been prepared using the following assumptions:</p> <table border="1"> <thead> <tr> <th rowspan="2">Variable</th> <th colspan="3">Input</th> </tr> <tr> <th>Tranche 1</th> <th>Tranche 2</th> <th>Tranche 3</th> </tr> </thead> <tbody> <tr> <td>Share price</td> <td>\$0.26</td> <td>\$0.26</td> <td>\$0.26</td> </tr> <tr> <td>Exercise price</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> </tr> <tr> <td>Risk free interest rate</td> <td>4.35%</td> <td>4.35%</td> <td>4.35%</td> </tr> <tr> <td>Volatility</td> <td>61%</td> <td>61%</td> <td>61%</td> </tr> <tr> <td>Time (years to expiry)</td> <td>1.25</td> <td>2.25</td> <td>2.25</td> </tr> <tr> <td>Vesting date</td> <td>23.2.2025</td> <td>1.7 2025</td> <td>1.7.2026</td> </tr> </tbody> </table> <p>Any change in the variables applied in the Black Scholes Method calculation between the date of the valuation and the date the ZEPOs are granted would have an impact on their value. The input values used in the above table are accurate as at 17 May 2024 but the actual amounts may vary</p>	Variable	Input			Tranche 1	Tranche 2	Tranche 3	Share price	\$0.26	\$0.26	\$0.26	Exercise price	\$0.00	\$0.00	\$0.00	Risk free interest rate	4.35%	4.35%	4.35%	Volatility	61%	61%	61%	Time (years to expiry)	1.25	2.25	2.25	Vesting date	23.2.2025	1.7 2025	1.7.2026
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10.15.7 – The date or dates on or by which the entity will issue the securities to the person under the scheme.	It is expected the Tranche 1 ZEPOs will be issued to Ms Amrita Blickstead within 1 month of shareholder approval being received to make the grant, which is expected to be in June 2024. Subject to shareholders approving the issue of ZEPO's, Tranche 2 and Tranche 3 ZEPOs will be issued within 1 month of their issue dates.																															
10.15.8 – The price at which the entity will issue the securities to the person under the scheme.	Each ZEPO will be issued to Ms Amrita Blickstead for a nil grant price. Each ZEPO has a nil exercise price.																															
10.15.9 – A summary of the material terms of the scheme.	Refer to the <b>Annexure</b> of these Explanatory Notes for a summary of the material terms of the Employee Share Option Plan 2021.																															
10.15.10 – A summary of the material terms of any loan that will be made to the person in relation to the acquisition.	N/A																															
10.15.11 – Statement.	<p>Details of any ZEPOs issued under the Employee Share Option Plan 2021 will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.</p> <p>Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of ZEPOs under the Employee Share Option Plan 2021 after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.</p>																															
10.15.12 – Voting exclusion statement.	Voting exclusion statements apply to Resolution 1 as set out in the Notice of Meeting.																															



## (b) Ms Karen Borg

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10.15.1 – The name of the person.	Ms Karen Borg or her nominee.																															
10.15.2 – Which category in rules 10.14.1 to 1.04.3 the person falls within and why.	Ms Karen Borg is a Director and is therefore a related party under 10.14.1.																															
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10.15.6 – A summary of the material terms of the securities, an explanation of why that type of security is being used and the value the entity attributes to that security and its basis.	<p>Refer to the <b>Annexure</b> of these Explanatory Notes for a summary of the material terms of the ZEPOs.</p> <p>The grant of the ZEPOs represent a cost effective and efficient means for the Company to provide an incentive to the participants.</p> <p>The indicative average valuation of \$0.26 per ZEPO is a theoretical valuation of each ZEPO using the Black-Scholes Model.</p> <p>The Company's internal management have valued the ZEPOs proposed to be granted to the Participating Directors using the Black-Scholes Model. The value of an option or right calculated by the Black-Scholes Model is a function of a number of variables. The valuation of the ZEPOs has been prepared using the following assumptions:</p> <table border="1" data-bbox="638 1563 1412 2027"> <thead> <tr> <th rowspan="2">Variable</th> <th colspan="3">Input</th> </tr> <tr> <th>Tranche 1</th> <th>Tranche 2</th> <th>Tranche 3</th> </tr> </thead> <tbody> <tr> <td>Share price</td> <td>\$0.26</td> <td>\$0.26</td> <td>\$0.26</td> </tr> <tr> <td>Exercise price</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> </tr> <tr> <td>Risk free interest rate</td> <td>4.35%</td> <td>4.35%</td> <td>4.35%</td> </tr> <tr> <td>Volatility</td> <td>61%</td> <td>61%</td> <td>61%</td> </tr> <tr> <td>Time (years to expiry)</td> <td>1.25</td> <td>2.25</td> <td>2.25</td> </tr> <tr> <td>Vesting date</td> <td>23.2.2025</td> <td>1.7 2025</td> <td>1.7.2026</td> </tr> </tbody> </table>	Variable	Input			Tranche 1	Tranche 2	Tranche 3	Share price	\$0.26	\$0.26	\$0.26	Exercise price	\$0.00	\$0.00	\$0.00	Risk free interest rate	4.35%	4.35%	4.35%	Volatility	61%	61%	61%	Time (years to expiry)	1.25	2.25	2.25	Vesting date	23.2.2025	1.7 2025	1.7.2026
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	Any change in the variables applied in the Black Scholes Method calculation between the date of the valuation and the date the ZEPOs are granted would have an impact on their value. The input values used in the above table are accurate as at 17 May 2024 but the actual amounts may vary.
10.15.7 – The date or dates on or by which the entity will issue the securities to the person under the scheme.	It is expected the Tranche 1 ZEPOs will be issued to Ms Karen Borg within 1 month of shareholder approval being received to make the grant, which is expected to be in June 2024. Subject to shareholders approving the issue of ZEPO's, Tranche 2 and Tranche 3 ZEPOs will be issued within 1 month of their issue dates.
10.15.8 – The price at which the entity will issue the securities to the person under the scheme.	Each ZEPO will be issued to Ms Karen Borg for a nil grant price. Each ZEPO has a nil exercise price.
10.15.9 – A summary of the material terms of the scheme.	Refer to the <b>Annexure</b> of these Explanatory Notes for a summary of the material terms of the Employee Share Option Plan 2021.
10.15.10 – A summary of the material terms of any loan that will be made to the person in relation to the acquisition.	N/A
10.15.11 – Statement.	Details of any ZEPOs issued under the Employee Share Option Plan 2021 will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.  Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of ZEPOs under the Employee Share Option Plan 2021 after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.
10.15.12 – Voting exclusion statement.	Voting exclusion statements apply to Resolution 2 as set out in the Notice of Meeting.

### 3 Resolutions 3 and 4

#### 3.1 Background

As set out above, the Company proposes to grant:

- (a) 1,925,000 ZEPOs to Ms Amrita Blickstead (or her nominee) under the Employee Share Option Plan 2021, subject to the passing of Resolution 1; and
- (b) 1,925,000 ZEPOs to Ms Karen Borg (or her nominee) under the Employee Share Option Plan 2021, subject to the passing of Resolution 2.

Under the rules of the Plan, potential termination benefits may become payable to Ms Blickstead and Ms Borg in respect of the ZEPOs in connection with their ceasing to be appointed by the Company.

Resolutions 3 and 4 seek shareholder approval for the giving of those potential termination benefits to Ms Blickstead and Ms Borg, respectively, for all purposes of Part 2D.2 of the Corporations Act and ASX Listing Rule 10.19 as set out in these Explanatory Notes.

If Resolution 1 is not passed, then Resolution 3 will have no effect.

If Resolution 2 is not passed, then Resolution 4 will have no effect.

Ms Blickstead and Ms Borg are referred to in these Explanatory Notes as the **Participating Directors**.

### 3.2 Termination benefits payable to directors or their nominees

The rules of the Plan allow for the Board to exercise discretion in the following circumstances:

- (a) discretion to determine that any unvested or vested option will not immediately lapse upon the Participating Directors ceasing to be appointed by the Company; and
- (b) a general discretion to waive the vesting conditions (if any) to the ZEPOs in whole or in part at any time and in any particular case, which might include the exercise of that discretion in the context of the Participating Directors' cessation of appointment.

The benefits noted above are in addition to statutory entitlements, any payment in lieu of notice and accrued contractual entitlements, comprised of any outstanding remuneration and any accrued leave entitlements as at the date of termination.

### 3.3 Section 200B and 200E of the Corporations Act

Part 2D.2 of the Corporations Act restricts the benefits that can be given to persons who hold a "managerial or executive office" (as defined in the Corporations Act), or persons who have in the 3 years before their termination held a managerial or executive office, on leaving their employment with the Company or ceasing to be appointed as a director of the Company or any of its related bodies corporate, unless an exception applies.

Section 200B of the Corporations Act applies to managerial or executive officers of the Company or any of its subsidiaries, which will include the Participating Directors.

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the company or a related body corporate if it is approved by shareholders under section 200E of the Corporations Act or another exemption applies.

The term "benefit" has a wide operation and would include the exercise of Board discretion in the circumstances noted above upon termination or cessation of employment in accordance with their terms (including the terms of the Plan under which they are offered).

Accordingly, Shareholder approval is sought for the purposes of section 200E of the Corporations Act to allow the Company to deal with the ZEPOs upon termination or cessation of appointment of the Participating Directors in accordance with the rules of the Plan, where to do so would involve giving a "benefit" to the Participating Directors in connection with them ceasing to hold a managerial or executive office.

The approvals are sought in relation to the ZEPOs proposed to be granted to the Participating Directors under Resolutions 1 and 2.

The value of any benefit relating to the ZEPOs given in connection with the Participating Directors ceasing to hold managerial or executive office cannot presently be ascertained.

However, matters, events and circumstances that will, or are likely to, affect the calculation of that value are:

- (a) the number of ZEPOs held by the Participating Directors prior to termination or cessation of their appointment;
- (b) the Participating Directors' length of service and the status of the vesting conditions attaching to the ZEPOs at the time their office ceases;
- (c) whether the vesting conditions (if any) are waived or (if not waived) met, and the number of ZEPOs (which could be a portion of or all of the ZEPOs held by the Participating Directors); and
- (d) the market price of the Company's Shares on ASX on the date Shares are issued to the Participating Directors upon exercise of the ZEPOs.

### 3.4 ASX Listing Rule 10.19

Shareholder approval of the benefits that may be given to the Participating Directors by virtue of the exercise of Board discretion under the rules of the Plan as set out above upon termination or cessation of the Participating Directors' office is also sought under ASX Listing Rule 10.19.

ASX Listing Rule 10.19 provides that without shareholder approval, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that are or may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules (**5% Threshold**). Accordingly, Shareholder approval is being sought on the basis that, if Resolutions 1 and 2 are passed, officers of the Company (including the Participating Directors) may be entitled to termination benefits under the Plan which exceed the 5% Threshold.

Depending upon the value of the termination benefits (see above), and the equity interests of the Company at the time such benefits may crystallise, it is uncertain if such payment would exceed the 5% Threshold. In the event of such termination benefits crystallising, the Company will comply with Listing Rule 10.19 if Resolutions 3 and 4 are approved by Shareholders.

### 3.5 Consequences of passing the Resolution

If either of Resolutions 3 or 4 are passed, the Company will be able to give termination benefits in respect of the ZEPOs which may exceed the 5% Threshold to Ms Blickstead and Ms Borg, respectively, in connection with either of them ceasing to hold managerial or executive office in accordance with the rules of the Plan (as applicable).

If either of Resolutions 3 or 4 are not passed, the Company will not be able to give termination benefits to Ms Blickstead and Ms Borg, respectively, unless:

- (a) the Company obtains future Shareholder approval under section 200E of the Corporations Act for the giving of the particular termination benefit or another exemption to the restriction in section 200B of the Corporations Act applies; or
- (b) the Company obtains future Shareholder approval under ASX Listing Rule 10.19 or those termination benefits along with termination benefits payable to all officers will not exceed the 5% Threshold.

## Annexure

### Summary of the material terms of the Employee Share Option Plan 2021

For the purposes of ASX Listing Rule 10.15.9, the material terms of the Employee Share Option Plan 2021 are detailed below.

Capitalised terms have the meaning given to them in the plan rules.

Term	Employee Share Option Plan 2021
Eligibility	The Board may, in its discretion, determine the employees or executive directors of the Company or its subsidiaries that will be eligible to participate in the Employee Share Option Plan 2021.
Offer	The Board may make an Offer to eligible participants on such terms and conditions as the Board decides from time to time.
Loans	The Board may offer a loan to an eligible participant to fund payment of: <ul style="list-style-type: none"><li>• any amount payable on acquisition of the Options; and/or</li><li>• any amount payable on exercise of the Options.</li></ul>
Vesting Conditions	Any Vesting Conditions applicable to the Options will be specified in the Offer.
Vesting	Each Option, once vested, will give the relevant participant the right to exercise the Option and to receive an Ordinary Share in the Company. In certain circumstances, the Board may decide to waive any of the vesting conditions applicable to the Options, including: <ul style="list-style-type: none"><li>• where the participant becomes a Leaver (i.e. ceases their employment, engagement or appointment with the Company or a subsidiary of the Company) as a result of the participant's death, Permanent Incapacity or Retirement;</li><li>• in any other circumstances determined by the Board in its absolute discretion; or</li><li>• on a Change of Control occurring, provided that any specific conditions set by an Offer are met.</li></ul>
Exercise	Vested Options may be exercised by paying the exercise price (if any) for the Option. As an alternative to paying the exercise price, the Board may permit a participant to exercise their Options through a cashless exercise mechanism, which sets off the exercise price against Options of equivalent value held by the participant.
Lapse of an Option	Options will lapse on the earlier of: <ul style="list-style-type: none"><li>• the participant becoming a Leaver in certain circumstances;</li><li>• following satisfaction of any Forfeiture Conditions specified in a participant's Offer, or on a Default Event (which includes a participant resigning, committing fraud or breaching their duties, among other acts), if the Board determines that the Options will lapse;</li><li>• if any Vesting Conditions are not achieved by the relevant time;</li><li>• if the Board determines that Vesting Conditions have not been met and cannot reasonably be met before the Expiry Date; and</li><li>• the Expiry Date as specified in an Offer.</li></ul>
Shares	Shares issued on exercise of Options will rank in all respects <i>pari passu</i> with ordinary shares in the Company.

Term	Employee Share Option Plan 2021
Participation Rights / Reorganisation	<p>Options do not confer a right for a participant to participate in new issues of shares or other securities in the Company, including by way of bonus issues, rights issues or otherwise.</p> <p>If the issued capital of the Company is reorganised, the number of shares to be delivered in respect of each Option or the amount payable, if any, by a participant in respect of shares to be delivered to a participant will be reorganised in accordance with the ASX Listing Rules as applicable to the Options at the time of the reorganisation.</p>

## Summary of the material terms of the ZEPOs

For the purposes of ASX Listing Rule 10.15.6, the material terms of the ZEPOs are detailed below.

Terms	Information required
Issue Date	The issue date of the ZEPOs will be the date recorded in the register of Optionholders of the Company.
Issue Price	The issue price is \$Nil per ZEPO.
Exercise Price	The exercise price is \$Nil per ZEPO.
Vesting	ZEPOs will vest once the Board gives notice of the number of ZEPOs that have vested ( <b>Vesting Notice</b> ). The Board will give a Vesting Notice within 30 days following each Test Date (defined below).
Vesting Condition(s)	<p>The following tranches of ZEPOs will vest on the following dates (each, a <b>Test Date</b>):</p> <ul style="list-style-type: none"> <li>• <b>Tranche one:</b> the ZEPOs will fully vest on 23 February 2025;</li> <li>• <b>Tranche two:</b> ZEPOs issued on 1 July 2024 will fully vest on 1 July 2025; and</li> <li>• <b>Tranche three:</b> ZEPOs issued on 1 July 2024 will fully vest on 1 July 2026,</li> </ul> <p>in each case, subject to the employee being employed by the Company at the relevant Test Date.</p>
Conversion	<p>ZEPOs can be exercised by completing an Exercise Notice (refer Annexure A of the Plan Rules) and delivering it physically or electronically to the Company Secretary of the Company on behalf of the Directors of the Company.</p> <p>On exercise, each Vested ZEPO will give the holder the right to acquire one fully paid ordinary share in the Company subject to adjustments under the terms of the Plan.</p>
Change of Control	Subject to the Board determining otherwise, if there is a change of control of the Company, unvested ZEPOs will vest on the date of the change of control.
Expiry Date	<ul style="list-style-type: none"> <li>• <b>Tranche one:</b> ZEPOs expire 30 September 2025;</li> <li>• <b>Tranche two:</b> ZEPOs expire 30 September 2026; and</li> <li>• <b>Tranche three:</b> ZEPOs expire 30 September 2027,</li> </ul> <p>Unless the ZEPOs lapse earlier in accordance with the Plan Rules.</p>
Exercise Period	ZEPOs are exercisable for 30 days from the date of issue of the Vesting Notice ( <b>Vesting Date</b> ).

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Terms	Information required
	If exercised, the Company will issue the Shares within 60 days of the Vesting Date.
Leaver	Subject to a Default Event occurring, if the Participant becomes a Leaver then: <ul style="list-style-type: none"><li data-bbox="715 315 1382 409">• vested ZEPOs will remain exercisable for 90 days (or a longer period approved by the Board), after which they will lapse; and</li><li data-bbox="715 443 1374 537">• unless becoming a Leaver is due to death, Permanent Incapacity or Retirement, or the Board approves otherwise, all unvested ZEPOs will immediately lapse.</li></ul>
Dividends, distributions and voting	The holder of a ZEPO: <ul style="list-style-type: none"><li data-bbox="715 622 1385 716">• will not be entitled to participate in any cash dividend or other monetary distribution paid or made to the shareholders of the Company; and</li><li data-bbox="715 750 1070 777">• will not be entitled to vote.</li></ul>
Transfer restriction	No Participant may transfer any Option except with the prior written consent of the Board.