



24 October 2024

Dear Shareholders

### **ANNUAL GENERAL MEETING**

The Annual General Meeting of Babylon Pump & Power Limited (**Company**) is scheduled to be held on Thursday, 28 November 2024 at 10.30am (WST) (**Meeting**).

In accordance with the Treasury Laws Amendment (2021 Measures No.1) Act 2021, the Company will not be sending hard copies of the Notice of Meeting to shareholders unless a shareholder has requested a hard copy. The Notice of Meeting can be viewed and downloaded from the link set out below.

The Company **strongly encourages Shareholders to lodge a directed proxy form prior to the Meeting**. Questions should also be submitted in advance of the meeting as this will provide management with the best opportunity to prepare for the meeting, for example by preparing answers in advance to Shareholder questions. However, votes and questions may also be submitted during the Meeting.

Please find below links to important Meeting documents:

- Notice of Meeting and Explanatory Memorandum:  
[www.babylompumpandpower.com/s/BPP-NOM-2024](http://www.babylompumpandpower.com/s/BPP-NOM-2024)

Alternatively, a complete copy of the Notice of Meeting and Explanatory Statement has been posted on the ASX's Market Announcements Platform.

If you have nominated an email address and have elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the Notice of Meeting and Explanatory Statement.

In order to receive electronic communications from the Company in future, please update your Shareholder details online at <https://investor.automic.com.au/#/home> and log in with your unique shareholder identification number and postcode (or country for overseas residents), and once registered you will be able to access your personalised proxy form which will allow you to lodge your proxy vote online by clicking on the "Vote" tab. If you are unable to access the Notice of Meeting and Explanatory Memorandum online please contact the Company Secretary, Michael Shelby, on +61 8 9454 6309 or via email at [mshelby@babylompumpandpower.com](mailto:mshelby@babylompumpandpower.com).

The Australian government and the respective State governments have previously implemented a wide range of measures to contain or delay the spread of COVID-19. If it becomes necessary or appropriate to make alternative arrangements to those set out in the Company's Notice of Meeting, the Company will notify Shareholders accordingly via the Company's web site at [www.babylompumpandpower.com.au](http://www.babylompumpandpower.com.au) and the Companies ASX Announcement Platform at [asx.com.au](http://asx.com.au) (ASX: BPP).

Sincerely

Michael Shelby  
Managing Director and Company Secretary



For personal use only



# **BABYLON**

**Babylon Pump & Power Limited  
ACN 009 436 908**

## **NOTICE OF ANNUAL GENERAL MEETING**

**The annual general meeting of Babylon Pump & Power Limited will be held at the Cottesloe Room, Australian Institute of Company Directors, Level 1, Allendale Square, 77 St Georges Terrace, Perth 6000 on 28 November 2024 at 10:30am (WST).**

If you are unable to attend the meeting, you may complete the Proxy Form (enclosed) and return it to the Company as soon as possible and in any event so it is received by the Company Secretary at the place specified in the Proxy Form no later than 2 business days prior to the time of commencement of the meeting.

**The Company is taking precautions to facilitate an in-person meeting. If the situation in relation to COVID-19 changes in a way affecting the ability to facilitate an in-person meeting, the Company will provide an update ahead of the meeting by way of an ASX announcement.**

### **THIS DOCUMENT IS IMPORTANT**

This Notice should be read in its entirety. If you do not understand it or are in any doubt about how to act, you should consult your stockbroker, solicitor, accountant or other professional adviser immediately.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 8 9454 6309.

The **2024 Annual Report** can be viewed on the Company's website at [www.babylonpumpandpower.com](http://www.babylonpumpandpower.com)

# BABYLON PUMP & POWER LIMITED

ACN 009 436 908

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of Babylon Pump & Power Limited (**Company**) will be held at the Cottesloe Room, Australian Institute of Company Directors, Level 1, Allendale Square, 77 St Georges Terrace, Perth 6000 on 28 November 2024 at 10:30am (WST) (**Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 26 November 2024 at 4:00pm (WST). Accordingly, transactions registered after that time will be disregarded in determining Shareholders' entitlements to vote.

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 2024, which includes the Financial Report, the Directors' Report and the Auditor's Report.

Note: There is no requirement for Shareholders to approve these statements.

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### 1. Resolution 1 – Adoption of 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 the Shareholders for the adoption of the Remuneration Report on the terms and conditions set out in the Explanatory Memorandum."*

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

**Voting Prohibition Statement:** In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

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

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

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

- (b) the voter is the Chair and the appointment of the Chair as proxy:
- (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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## 2. Resolution 2 – Re-election of Director – Mr James Cullen

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

*"That, pursuant to and in accordance with article 6.1(f) of the Constitution and for all other purposes, Mr James Cullen, a Director, retires and being eligible, is re-elected as a Director on the terms and conditions set out in the Explanatory Memorandum."*

(a) .

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## 3. Resolution 3 – Issue of Performance Rights to Director Louise Bower

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

*"That, for the purposes of ASX Listing Rule 10.14, sections 195(4), 200B, 200E and 208 of the Corporations Act, and for all other purposes, approval is given for the Company to issue and allot 4,166,667 Performance Rights to Director Louise Bower (or her nominee) under the Incentive Awards Plan on the terms and conditions set out in the Explanatory Memorandum".*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Louise Bower, a person referred to in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Incentive Awards Plan, or an officer of the entity or any of its child entities who is entitled to participate in a termination benefit under the Plan, or any of their associates (**Resolution 3 Excluded Party**). However, this does not apply to a vote cast in favour of a resolution by:

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

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 3 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and

- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

In accordance with section 224 of the Corporations Act, no vote can be cast on this Resolution by or on behalf of a related party of the Company to whom this Resolution would permit the financial benefit to be given or their associates. However, this does not prevent the casting of a vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution and it is not cast on behalf of a related party or associate mentioned above.

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## 4. Resolution 4 – Issue of Performance Rights to Director Patrick Maingard

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

*“That, for the purposes of ASX Listing Rule 10.14, sections 195(4), 200B, 200E and 208 of the Corporations Act, and for all other purposes, approval is given for the Company to issue and allot 4,166,667 Performance Rights to Director Patrick Maingard or his nominee under the Incentive Awards Plan on the terms and conditions set out in the Explanatory Memorandum”.*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Patrick Maingard, a person referred to in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Incentive Awards Plan, or an officer of the entity or any of its child entities who is entitled to participate in a termination benefit under the Plan, or any of their associates (**Resolution 4 Excluded Party**). However, this does not apply to a vote cast in favour of a resolution by:

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

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 4 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

In accordance with section 224 of the Corporations Act, no vote can be cast on this Resolution by or on behalf of a related party of the Company to whom this Resolution would permit the financial benefit to be given or their associates. However, this does not prevent the casting of a vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution and it is not cast on behalf of a related party or associate mentioned above.

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## 5. Resolution 5 – Issue of Performance Rights to Director Chris Radin

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

*“That, for the purposes of ASX Listing Rule 10.14, sections 195(4), 200B, 200E and 208 of the Corporations Act, and for all other purposes, approval is given for the Company to issue and allot 4,166,667 Performance Rights to Director Chris Radin or his nominee under the Incentive Awards Plan on the terms and conditions set out in the Explanatory Memorandum”.*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Chris Radin, a person referred to in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Incentive Awards Plan, or an officer of the entity or any of its child entities who is entitled to participate in a termination benefit under the Plan, or any of their associates (**Resolution 5 Excluded Party**). However, this does not apply to a vote cast in favour of a resolution by:

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

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 5 Excluded Party, above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

In accordance with section 224 of the Corporations Act, no vote can be cast on this Resolution by or on behalf of a related party of the Company to whom this Resolution would permit the financial benefit to be given or their associates. However, this does not prevent the casting of a vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution and it is not cast on behalf of a related party or associate mentioned above.

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## 6. Resolution 6 – Issue of Performance Rights to Managing Director Michael Shelby

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

*“That, for the purposes of ASX Listing Rule 10.14, sections 195(4), 200B, 200E and 208 of the Corporations Act, and for all other purposes, approval is given for the Company to issue and allot 29,636,667 Performance Rights to Managing Director*

*Michael Shelby or his nominee under the Incentive Awards Plan on the terms and conditions set out in the Explanatory Memorandum”.*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Michael Shelby, a person referred to in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Incentive Awards Plan, or an officer of the entity or any of its child entities who is entitled to participate in a termination benefit under the Plan, or any of their associates (**Resolution 6 Excluded Party**). However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution in accordance with directions given to the proxy or attorney on the resolution in that way;
- (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:
  - (iii) 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
  - (iv) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statements:**

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (c) the proxy is either:
  - (iii) a member of the Key Management Personnel; or
  - (iv) a Closely Related Party of such a member; and

(d) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 6 Excluded Party, above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

In accordance with section 224 of the Corporations Act, no vote can be cast on this Resolution by or on behalf of a related party of the Company to whom this Resolution would permit the financial benefit to be given or their associates. However, this does not prevent the casting of a vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution and it is not cast on behalf of a related party or associate mentioned above.

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## 7. Resolution 7 – Approval of 10% Placement Facility

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

*“That for the purposes of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the Company having the additional capacity to issue Equity Securities provided for under Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.”*

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## 8. Resolution 8 – Appointment of Auditor at AGM to Fill Vacancy

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

*“That, for the purposes of section 327B of the Corporations Act and for all other purposes, BDO Audit Pty Ltd having been nominated by a Shareholder and having*

*consented in writing to act in the capacity of auditor, be appointed as auditor of the Company with effect from the close of the Meeting."*

**BY ORDER OF THE BOARD**



**Michael Shelby**  
**Company Secretary**  
**Dated: 15 October 2024**

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## **EXPLANATORY MEMORANDUM**

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### **Introduction**

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the Cottesloe Room, Australian Institute of Company Directors, Level 1, Allendale Square, 77 St Georges Terrace, Perth 6000 on 28 November 2024 at 10:30am (WST).

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 when deciding whether or not to pass the Resolutions.

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

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## **1. Action to be taken by Shareholders and proxies**

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

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

### **1.2 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, complete and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but 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 10:30am (WST) on 26 November 2024, being at least 48 hours before the Meeting.

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

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## 2. Annual Report

In accordance with section 317(1) of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2024.

There is no requirement for Shareholders to approve the Annual Report.

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

- (a) discuss the Annual Report which is available by contacting the registered office on +61 9454 6309 or on the Company's website at <https://www.babylonpumpandpower.com/corporate-governance>;
- (b) ask questions or make comment on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and 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 Company's auditor about:

- (a) the preparation and content 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 five (5) Business Days before the Meeting to the Company Secretary at the Company's registered office.

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## 3. Resolution 1 - Adoption of Remuneration Report

### 3.1 Background

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

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

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

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the

second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report will cease to hold office and may stand for re-election.

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, a Resolution will not be relevant for this Annual General Meeting.

Please note, if the Remuneration Report receives a Strike at this Meeting and a second Strike is received at the 2025 annual general meeting, this may result in the re-election of the Board.

The Chairperson will allow a reasonable opportunity for Shareholders as a whole to ask about or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

### **3.2 Recommendation**

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 of the Company.

The Board recommends that Shareholders vote in favour of Resolution 1.

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## **4. Resolution 2 - Re-election of Director – Mr James Cullen**

### **Background**

Clause 6.1(f)(i)(A) of the Constitution requires that one third of Directors (excluding the Managing Director and rounded down to the nearest whole number) must retire at each annual general meeting of the Company and will be eligible for re-election. The Company currently has 4 Directors (excluding the Managing Director) and, therefore, one Director must retire under Clause 6.1(f).

Mr James Cullen, who was last re-elected as a Director at the 2022 AGM, will retire pursuant to Clause 6.1(f) and, being eligible, seeks re-election as a Director.

A brief CV of Mr Cullen is included in the Directors' Report.

The Board considers that Mr Cullen is an independent Director.

### **Recommendation**

Resolution 2 is an ordinary resolution.

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

The Board (excluding Mr Cullen) recommends that Shareholders vote in favour of Resolution 2.

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## 5. Resolutions 3 - 6 Issue of Performance Rights to Directors

### 5.1 Background

Under the Company's Employee Equity Incentive Plan, the Company may issue Shares, Options or Performance Rights.

It is proposed that, subject to Shareholder approval, a total of 42,136,668 Performance Rights (**Related Party Performance Rights**) be issued to Directors Ms Louise Bower, Mr Patrick Maingard, Mr Chris Radin and Mr Michael Shelby (or their nominees) (each a **Related Party** and together the **Related Parties**).

These Related Party Performance Rights, and any Shares issued as a result of the conversion of the Related Party Performance Rights, will only vest to the specified Director on the attainment of predefined vesting conditions as detailed in Schedule 3.

Resolutions 3 - 6 seek Shareholder approval for the grant of the Related Party Performance Rights to the Related Parties.

### 5.2 Related Party Transaction

Under the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The grant of the Related Party Performance Rights to the Related Parties, under the Plan, unless an exception applies, requires the Company to obtain Shareholder approval because this constitutes giving a financial benefit and, as the Related Parties are Directors, they are related parties of the Company.

It is the view of Directors that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of the Performance Rights to the Related Parties in accordance with section 208 of the Corporations Act.

### 5.3 ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides that a company must not permit any of the following persons to acquire securities under an employee incentive scheme without the approval of holders of ordinary securities of the acquisition:

- (a) a director of the company;
- (b) an associate of a director; or
- (c) a person whose relationship with the company or a person referred to in (a) or (b) above is, in ASX's opinion, such that approval should be obtained.

If Resolutions 3 - 6 are passed, the Related Party Performance Rights will be issued to the Related Parties, who are Directors of the Company, or their nominees. Therefore, the Company requires Shareholder approval in accordance with ASX Listing Rule 10.14 to issue the Related Party Performance Rights to the Related Parties (or their nominees).

If a Resolution is not passed, the Company will not be able to grant the Related Party Performance Rights the subject of that Resolution and will need to assess whether alternative incentives are to be offered to the relevant Related Party.

#### 5.4 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.14)

Pursuant to and in accordance with the requirements of Section 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed grant of Related Party Performance Rights:

- (a) the Related Parties are related parties by virtue of being Directors of the Company and so fall under Listing Rule 10.14.1. If the Related Party Performance Rights are granted to a nominee of a Related Party, the nominee will be an Associate of the Related Party and fall under Listing Rule 10.14.2;
- (b) a total of 42,136,668 Performance Rights (being the nature of the financial benefit being provided) are proposed to be granted to the Related Parties (or their nominees) as follows:

Related Party	Number of Related Party Performance Rights		
	Class G	Class H	Total
Ms Louise Bower	1,250 000	2,916,667	<b>4,166,667</b>
Mr Patrick Maingard	1,250 000	2,916,667	<b>4,166,667</b>
Mr Chris Radin	1,250 000	2,916,667	<b>4,166,667</b>
Mr Michael Shelby	8,891,000	20,745,667	<b>29,636,667</b>
<b>Total</b>	<b>12,641,000</b>	<b>29,495,668</b>	<b>42,136,668</b>

- (c) the current total remuneration package of the Related Parties (inclusive of superannuation and equity-based remuneration) for the current financial year, and for the previous two financial years, is as follows. This is in addition to the Related Party Performance Rights proposed to be granted under Resolutions 3 - 6;

Related Party	Current financial year to 30 June 2025 (estimate) <sup>1</sup>	Financial year Ended 30 June 2024	Financial year Ended 30 June 2023
Mr Patrick Maingard	\$72,450	\$63,342 <sup>2</sup>	\$234,752 <sup>3</sup>
Ms Louise Bower	\$72,450	\$63,846 <sup>4</sup>	\$58,023 <sup>5</sup>
Mr Chris Radin	\$72,450	\$67,279 <sup>6</sup>	\$18,417 <sup>7</sup>
Mr Michael Shelby	\$685,145	\$651,230 <sup>8</sup>	\$512,564 <sup>9</sup>

## Notes:

1. Inclusive of salary/fees, superannuation and estimated expense of the Performance Rights the subject of Resolutions 3 - 6 that the Company estimates will vest.
  2. Comprising \$54,996 fee and \$8,346 Performance Rights expense.
  3. Comprising \$90,331 salary/fee, \$2,625 superannuation and \$141,796 Performance Rights expense.
  4. Comprising \$55,500 fee and \$8,346 Performance Rights expense.
  5. Comprising \$55,250 fee and \$2,773 Performance Rights expense.
  6. Comprising \$58,933 fee and \$8,346 Performance Rights expense.
  7. Comprising \$18,417 fee.
  8. Comprising \$312,501 salary, \$254,000 employee performance bonus, \$27,974 superannuation and \$56,755 Performance Rights expense.
  9. Comprising \$270,000 salary, \$28,350 superannuation and \$214,214 Performance Rights expense.
- (d) Ms Louise Bower (and her associates) have previously been issued 5,000,000 Performance Rights under the Plan at a nil acquisition cost. Mr Patrick Maingard (and his associates) have previously been issued 5,000,000 Performance Rights under the Plan at a nil acquisition cost. Mr Chris Radin (and his associates) have previously been issued 5,000,000 Performance Rights under the Plan. Mr Michael Shelby (and his associates) have previously been issued 34,000,000 Performance Rights under the Plan at a nil acquisition cost;
- (e) the Related Party Performance Rights are subject to the vesting conditions and other material terms set out in Schedule 3 and are otherwise subject to the terms and conditions of the Plan, which are summarised in Schedule 2;
- (f) the Company wishes to grant Related Party Performance Rights to the Related Parties as they are a cost effective mechanism to incentivise the Related Parties and are simpler to administer than the grant of Shares that would need to be cancelled if the vesting conditions are not satisfied or waived;
- (g) the Related Party Performance Rights proposed to be issued to the Related Parties have been valued internally by the Company on the basis that each Performance Right has a value equal to a Share, being \$0.006 based on the closing Share price on 9 October 2024. The valuation assumes all vesting conditions are fully met. To the extent vesting conditions are not met and Performance Rights lapse, the total value of the Performance Rights granted will be less than the amounts in the table below;

Related Party	Value of Performance Rights		
	Class G	Class H	Total
Ms Louise Bower	\$7,500	\$17,500	<b>\$25,000</b>
Mr Patrick Maingard	\$7,500	\$17,500	<b>\$25,000</b>
Mr Chris Radin	\$7,500	\$17,500	<b>\$25,000</b>
Mr Michael Shelby	\$53,346	\$124,474	<b>\$177,820</b>
<b>Total</b>	<b>\$75,846</b>	<b>\$176,974</b>	<b>\$252,820</b>

- (h) the Related Party Performance Rights will be granted to the Related Parties (or their nominee) no later than 3 years after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification

of the ASX Listing Rules) and it is anticipated the Related Party Performance Rights will be issued on one date;

- (i) the Related Party Performance Rights will be granted for nil cash consideration, accordingly no funds will be raised;
- (j) a summary of the Plan, which applies to the Related Party Performance Rights, is set out in Schedule 2;
- (k) no loan has or will be provided to the Related Parties in relation to the issue or subsequent exercise of the Related Party Performance Rights;
- (l) details of any securities issued under the Plan will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (m) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after Resolutions 3-6 are approved and who were not named in this Notice of Meeting will not participate until approval is obtained under that rule;
- (n) as at the date of this Notice of Meeting, the Related Parties have the following relevant interest in the following Company securities (excluding Performance Rights proposed to be granted under this Notice of Meeting):

<b>Related Party</b>	<b>Shares</b>	<b>Performance Rights</b>
Ms Louise Bower <sup>1</sup>	2,901,588	5,000,000
Mr Patrick Maingard <sup>2</sup>	20,575,304	5,000,000
Mr Chris Radin <sup>3</sup>	-	5,000,000
Mr Michael Shelby <sup>4</sup>	30,774,312	34,000,000

Notes:

- 1 Held indirectly by Kaynadan Pty Ltd ATF The Bower Family Trust. 1.5 million Class E Performance Rights and 3.5 million Class F Performance Rights as approved by Shareholders at the FY23 AGM.
  - 2 Held by Mr Patrick Maingard ATF the Valletta Trust, of which Mr Patrick Maingard is a beneficiary. 1.5 million Class E Performance Rights and 3.5 million Class F Performance Rights as approved by Shareholders at the FY23 AGM.
  - 3 Held by Mr Chris Radin. 1.5 million Class E Performance Rights and 3.5 million Class F Performance Rights as approved by Shareholders at the FY23 AGM.
  - 4 23,774,312 Shares held directly. 7,000,000 Shares held indirectly by West Feliciana Holdings Pty Ltd ATF The Second Shelby Family Trust. 10.2 million Class E Performance Rights and 23.8 million Class F Performance Rights as approved by Shareholders at the FY23 AGM.
- (o) if all of the Performance Rights are granted under Resolutions 3-6 to the Related Parties and are exercised, a total of 42,136,668 Shares would be allotted and issued. This will increase the number of Shares on issue from 2,499,549,000 to 2,541,685,668 (assuming that no other Options or Performance Rights are exercised and no other Shares issued) with the effect that the shareholding of existing Shareholders would be diluted by 1.7%;

- (p) the trading history of the Shares on ASX in the 12 months before the date of this Notice of General Meeting is set out below:

	Price	Date
Highest	\$0.007	10 October 2023
Lowest	\$0.004	21 October 2024
Last	\$0.006	8 October 2024

- (q) the Board acknowledges the issue of Performance Rights to the Related Parties who are non-executive Directors is contrary to the guidelines to Recommendation 8.2 of The Corporate Governance Principles and Recommendations (4th Edition) as published by The ASX Corporate Governance Council. However, the Board considers the issue of Performance Rights to those Related Parties is reasonable in the circumstances having regard to the size and level of operations of the Company, its cash reserves and importance to the Company of attracting and retaining non-executive Directors in a manner which does not unduly impact on the Company's cash resources;
- (r) the primary purpose of the grant of Performance Rights to the Related Parties is to provide a performance linked incentive component in the overall remuneration package for each Related Party to motivate and reward the performance of the Related Party in their respective roles as Directors and to assist the Company in retaining their services and expertise in a manner which does not unduly impact on the cash reserves of the Company; and
- (s) the Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights upon the terms proposed. The vesting performance criteria attached to the Performance Rights aims to ensure that significant value is created prior to the Performance Rights vesting to the Related Parties.

## 5.5 Directors' recommendations

Each of Ms Louise Bower, Mr Patrick Maingard, Mr Chris Radin and Mr Michael Shelby declines to make a recommendation to Shareholders in relation to the Resolution relating to the issue of Performance Rights to themselves (or their nominee) due to their material personal interest in the outcome of the Resolution on the basis that they are to be granted Performance Rights in the Company should the Resolution be passed. However, in respect of the Resolutions dealing with the issue of the Performance Rights to each of the other Directors, each of Ms Louise Bower, Mr Patrick Maingard, Mr Chris Radin and Mr Michael Shelby recommends that Shareholders vote in favour of Resolutions 3-6 for the following reasons:

- (a) the issue of Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
- (b) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights upon the terms proposed.



In forming their various recommendations, each Director considered the qualifications and experience of each other Related Party, the current market price of Shares, the current market practices when determining the number of Performance Rights to be issued as well as the expiry date, vesting conditions and other material terms of those Performance Rights.

Except as specified above, no other Director has a personal interest or other interest in the outcome of Resolutions 3-6.

The Board is not aware of any information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 3-6.

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## 6. Resolution 7 – Approval of 10% Placement Facility

### 6.1 General

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 provides that a company may, without shareholder approval, issue or agree to issue that number of Equity Securities that total up to 15% of the number of fully paid, ordinary securities on issue 12 months before the issue or agreement to issue.

ASX Listing Rule 7.1A provides that, in addition to the 15% placement capacity permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue, during the period the approval is valid, a number of quoted Equity Securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period as adjusted in accordance with the formula in ASX Listing Rule 7.1 (**10% Placement Facility**).

An eligible entity is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less (excluding restricted securities and securities quoted on a deferred settlement basis). The Company is an eligible entity.

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 has one class of quoted equity securities on issue, being ordinary shares (ASX Code: BPP).

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue quoted Equity Securities under the 10% Placement Facility available under ASX Listing Rule 7.1A. The maximum number of quoted Equity Securities that may be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

If Resolution 7 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in ASX Listing Rules 7.1 and 7.1A without further Shareholder approval.

If Resolution 7 is not passed, the Company will not be able to access the additional 10% capacity to issue quoted Equity Securities without Shareholder approval available under ASX Listing Rule 7.1A, and will remain subject to the 15% limit on issuing (or agreeing to issue) Equity Securities without Shareholder approval set out in ASX Listing Rule 7.1.

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).

## 6.2 Description of Listing Rule 7.1A and information required by Listing Rule 7.3A

### (a) 10% Placement Period

If Shareholders approve Resolution 7, the Company's ability to issue quoted Equity Securities under the 10% Placement Facility will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of the Meeting;
- (ii) the time and date of the Company's next annual general meeting;
- (iii) the time and date of the approval by Shareholders of a transaction under ASX Listing Rules 11.1.1 or 11.2,

(the **10% Placement Period**).

### (b) Minimum Issue Price

The issue price of quoted Equity Securities issued under Listing Rule 7.1A must be a cash consideration per Equity Security of not less than 75% of the volume weighted average market price (**VWAP**) of Equity Securities in the same class calculated over the 15 Trading Days on which trades in the class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the 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.

### (c) Purpose of Funds Raised

Funds raised from the issue of quoted Equity Securities under the 10% Placement Facility are intended to be used towards working capital, purchases of specialised equipment required for rental purposes, the acquisition of new assets and investments and corporate and administration costs.

### (d) Economic and Voting Dilution Risk

If Resolution 7 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Convertible Securities, only if the Convertible Securities are exercised). 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, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of Shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased by 50% and 100% and the voting dilution impact of such an increase. Variable "A" is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of issues of Shares 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 Shares has decreased by 50% and increased by 100% as against the current market price.

Share Capital (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.003 (50% decrease in Share price)	\$0.006 (Current Share Price)	\$0.012 (100% increase in Share price)
2,499,549,000 (Current Shares)	Number of Shares	249,954,900		
	Funds raised	\$749,865	\$1,499,729	\$2,999,459
3,749,323,500 (50% increase in Shares)	Number of Shares	374,932,350		
	Funds raised	\$1,124,797	\$2,249,594	\$4,499,188
4,999,098,000 (100% increase in Shares)	Number of Shares	499,909,800		
	Funds raised	\$1,499,729	\$2,999,459	\$5,998,918

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 Options or Performance Rights (including any Options issued under the 10% Placement Facility) are exercised 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. All Shareholders should consider the dilution caused by their own shareholding depending on the specific circumstances.

- (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 Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (vii) The current issue price is \$0.006 being the closing price of the Shares on the ASX on 9 October 2024.
- (viii) The Company will only issue the Equity Securities during the 10% Placement Period.

**(e) Allocation Policy**

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 recipients of Equity Securities will be determined on a case-by-case basis having regard to the factors set out in the Company's allocation policy, 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).

The recipients under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing Substantial Holders and/or new Shareholders who are not related parties or associates of a related party of the Company.

**(f) Use of 10% Placement Facility in prior 12 months**

The Company obtained Shareholders' approval for its 10% Placement Facility at its previous annual general meeting held on 23 November 2023.

During the 12-month period preceding the date of this Meeting, being on and from 28 November 2023, the Company has not issued any Equity Securities under ASX Listing Rule 7.1A.

**(g) Voting Exclusion**

A voting exclusion statement is not included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing

Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

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## 7. **Resolution 8 – Appointment of Auditor at AGM to Fill Vacancy**

Section 327C(1) of the Corporations Act provides that if a vacancy occurs in the office of auditor of a public company the directors must within 1 month appoint an auditor to fill the vacancy. Section 327C(2) of the Corporations Act provides that an auditor so appointed holds office until the Company's next annual general meeting.

As announced by the Company to ASX on 6 May 2024, BDO Audit Pty Ltd (BDO Audit) was appointed as auditor of the Company. The appointment follows the resignation of BDO Audit (WA) Pty Ltd (**BDO WA**) and ASIC's consent to the resignation in accordance with s329(5) of the Corporations Act. The change of auditor arose as a result of BDO WA restructuring its audit practice whereby audits will be conducted by BDO Audit, an authorised audit company, rather than BDO WA.

Under Section 327(C)(2) of the Corporations Act BDO Audit retires at the Annual General Meeting. As BDO Audit is eligible for election as auditor of the Company as and from the Annual General Meeting, Resolution 8 proposes the election of BDO Audit as auditor of the Company.

BDO Audit Pty Ltd has given its written consent to act as the Company's auditor, subject to Shareholder approval.

If Resolution 8 is passed, the appointment of BDO Audit Pty Ltd as the Company's auditor will take effect from the close of the Annual General Meeting.

In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a Shareholder for BDO Audit Pty Ltd to be appointed as the Company's auditor. A copy of this nomination is attached to this Explanatory Statement as Annexure A.

The Directors of the Company believe Resolution 8 is in the best interest of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution.

For personal use only

## SCHEDULE 1 - DEFINITIONS

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

**\$** means Australian Dollars.

**10% Placement Facility** has the meaning given in Section 6 of the Explanatory Memorandum.

**10% Placement Period** has the meaning given in Section 6 of the Explanatory Memorandum.

**Annual Report** means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2024.

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

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

**ASX Listing Rules** or **Listing Rules** means the Listing Rules of ASX.

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

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

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

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

**Closely Related Party** of a member of the Key Management Personnel means:

- a spouse or child of the member;
- a child of the member's spouse;
- a dependent of the member or the member's spouse;
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- a company the member controls; or
- a person prescribed by the Corporations Regulations 2001 (Cth).

**Company** or **Babylon** means Babylon Pump & Power Limited ACN 009 436 908.

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

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

**Director** means a director of the Company as at the date of this Notice.

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

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

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

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

**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 or, if the Company is part of a consolidated entity, of an entity within the consolidated group.

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

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

**Officer** has the same meaning, as the context requires, given in paragraphs (a) and (b) of the definition of 'officer' of a corporation, or in paragraphs (a) and (b) of the definition of 'officer' of an entity that is neither an individual nor a corporation, in each case in section 9 of the Corporations Act.

**Option** means an option to be issued a Share.

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

**Related Party Performance Rights** has the meaning given in section 5 of this Explanatory Memorandum.

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

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

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

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

**Share** means an ordinary share in the issued capital of the Company.

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

**Substantial Holder** has the meaning given in the Listing Rules.

**Strike** means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

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

## SCHEDULE 2 – SUMMARY OF INCENTIVE AWARDS PLAN

### (a) **Eligibility**

The Board may invite full or part time employees and directors of, and consultants to, the Company or an Associated Body Corporate of the Company to participate in the Plan (**Eligible Participant**).

Eligible Participants do not possess any right to participate in the Plan, as participation is solely determined by the Board.

### (b) **Offer of Awards**

The Plan will be administered by the Board which may, in its absolute discretion, invite an Eligible Participant to apply for Incentive Options or Performance Rights (each an **Award**) from time to time as determined by the Board and, in exercising that discretion, may have regard to some or all of the following considerations:

- (i) the Eligible Participant's length of service with the Group;
- (ii) the contribution made by the Eligible Participant to the Group;
- (iii) the potential contribution of the Eligible Participant to the Group; or
- (iv) any other matter the Board considers relevant.

### (c) **Number of Awards**

The number of Awards to be offered to an Eligible Participant will be determined by the Board in its discretion and in accordance with the rules of the Plan and applicable law.

### (d) **Conversion**

Subject to any adjustment permitted under the Plan, each Award is exercisable into one Share in the Company ranking equally in all respect with the existing issued Shares in the Company.

### (e) **Consideration**

Awards issued under the Plan will be issued for no consideration.

### (f) **Exercise price**

The exercise price for Awards offered under the Plan (if any) will be determined by the Board.

### (g) **Vesting conditions**

The Board may impose vesting conditions, including performance-related conditions, on the right of a participant to exercise Awards granted under the Plan.

The Board may in its absolute discretion, by written notice to a holder, resolve to waive any of the vesting conditions applying to an Award.

### (h) **Dealings in Awards**

An Award is non-transferable other than in Special Circumstances (as defined in the Plan) with the consent of the Board (which may be withheld in its discretion).



(i) **Exercise of Awards**

A participant in the Plan will be entitled to exercise their Awards in respect of which the vesting conditions have been met provided the Awards have not lapsed. A holder may exercise Awards by delivering an exercise notice to the Company secretary along with the Awards certificate and paying the applicable exercise price of the Awards (if any) multiplied by the number of Awards proposed to be exercised.

Within ten Business Days of receipt of the required items, the Company will, subject to the ASX Listing Rules and the Plan, issue to the participant the relevant number of Shares.

(j) **Lapse of Awards**

Awards held by a participant in the Plan will lapse if:

- (i) the vesting conditions attaching to the Performance Rights are not satisfied or become incapable of satisfaction (and are not waived by the Board);
- (ii) in respect of an unvested Award, the holder ceases to be an Eligible Participant and the Board does not exercise its discretion to vest the Award or allow it to remain unvested;
- (iii) in respect of a vested Award, a holder ceases to be an Eligible Participant and the Board, in its discretion, resolves that the Award must be exercised within one (1) month (or such later date as the Board determines), and the Award is not exercised within that period and the Board resolves, at its discretion, that the Award lapses as a result;
- (iv) the Board deems that an Award lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant under the rules of the Plan;
- (v) the Board, in its discretion, resolving an Award lapses as a result of an unauthorised disposal of, or hedging of, the Award;
- (vi) in respect of an unvested Award, a winding up resolution or order is made, and the Award does not vest in accordance with rules of the Plan; and
- (vii) the Expiry Date of the Award.

(k) **Restrictions on Shares**

The Board may, in its discretion, determine at any time up until exercise of an Award, that a restriction period will apply to some or all of the Shares issued or transferred to a Participant on exercise of the Award, up to a maximum of fifteen (15) years from the Acquisition Date of the Award.

Shares are deemed to be subject to a Restriction Period to the extent necessary to comply with any escrow restrictions imposed by the ASX Listing Rules.

(l) **Limitation on offers**

Where an Invitation is to be made that involves an Applicant or the Participant paying monies to the Company on the issue or exercise of Awards offered under the Invitation (eg an Invitation for Options with an Exercise Price), and the Invitation is not made in reliance on section 708 of the Corporations Act and the Company wishes to rely on the ESS Provisions in respect of the Invitation, the Board must reasonably believe, when making that Invitation, that:

- (i) the number of Shares to be issued under the Invitation, or issued on exercise of the Award offered under the Invitation, when aggregated with;
- (ii) the number of Shares issued or that may be issued as a result of Invitations made under the Plan or any other employee share scheme during the 3 year period prior to the date of the Invitation;

will not exceed 5% of the total number of Shares on issue at the date of the Invitation or such other percentage as specified in the Company's Constitution.

(m) **Additional Terms and Conditions**

- (i) An Award does not entitle a participant to vote on any resolutions proposed at a general meeting of Shareholders.
- (ii) An Award does not confer any right to a return of capital, whether in a winding up, or upon a return of capital or otherwise, or a right to participate in surplus profit or assets of the Company upon a winding up.
- (iii) A participant is not entitled to participate in or receive any dividend or other Shareholder benefits until its Awards have vested and been exercised and Shares have been allocated to the participant as a result of the exercise of those Awards.
- (iv) There are no participating rights or entitlements inherent in the Awards and participants will not be entitled to participate in new issues of securities offered to Shareholders of the Company during the currency of Awards without exercising the Options or Performance Rights, except to the extent an Offer otherwise provides where permitted by the ASX Listing Rules.
- (v) There is no right to a change in the exercise price or in number of underlying Shares over which an Award can be exercised, except to the extent an Offer otherwise provides where permitted by the ASX Listing Rules.
- (vi) In the event of a reorganisation of the capital of the Company, the Company may alter the rights of the holder of an Award to the extent necessary to comply with the ASX Listing Rules applying to reorganisations at the time of the reorganisation.
- (vii) Subdivision 83A-C of Chapter 2 of the *Income Tax Assessment Act 1997* (Cth) applies to the Awards except to the extent an Offer provides otherwise.
- (viii) No issue or allocation of Awards and/or Shares will be made to the extent that it would contravene the Constitution, Listing Rules, the Corporations Act or any other applicable law.

**SCHEDULE 3 – RELATED PARTY PERFORMANCE RIGHTS VESTING CONDITIONS**

**Class G Performance Rights**

The Class G Performance Rights are subject to a vesting condition that the Company (on a consolidated basis) maintains a TRIFR of below 2.6 for the financial year ending 30 June 2025.

A TRIFR of 2.6 has been chosen as the Company considers it to be 50% better than the industry average. As at the date of this Notice of Meeting, the Company has a TRIFR of 0 which it intends to maintain.

The Board will determine whether this vesting condition has been met by 30 September 2025, with the Class G Performance Rights lapsing if the vesting condition is not met.

Subject to the above vesting condition being met, 50% of the Class G Performance Rights will vest on 30 June 2026 and 50% will vest on 30 June 2027 provided that, unless the Board resolves otherwise, if a Related Party ceases to be a Director after the Board has determined that the Class G Performance Rights are capable of vesting but before vesting occurs, a proportion of the Class G Performance Rights will vest, being:

- (a) in respect of the Class G Performance Rights that would otherwise vest on 30 June 2026, a proportion equal to the proportion of the period 30 June 2025 to 30 June 2026 that has elapsed; and
- (b) in respect of the Class G Performance Rights that would otherwise vest on 30 June 2027, a proportion equal to the proportion of the period 30 June 2025 to 30 June 2027 that has elapsed.

The Class G Performance Rights that vest will expire 4 years from issue.

**Class H Performance Rights**

The Class H Performance Rights are subject to a vesting condition that the Company (on a consolidated basis) achieves earnings per share (**EPS**) growth of at least 10% for the financial year ending 30 June 2025 based on audited accounts as follows.

Target EPS growth*	Stretch EPS growth	% to Vest at Target Performance	% to Vest at Stretch Performance
10%	15%	75%	100%

\* If less than 10% EPS growth is achieved, none of the Class H Performance Rights will vest. Straight-line vesting applies to performance between target and stretch. The Board may, acting reasonably, adjust the Vesting Condition to take into account any significant non-cash items (for example impairment losses), acquisitions or divestments, revenue received in the form of government grants, rebates or other payments, and one-off events/non-recurring items where appropriate.

The Board will determine by 30 September 2025 whether and to what extent this Vesting Condition has been met and the number of Class H Performance Rights that are capable of vesting, with the remaining Class H Performance Rights lapsing.

To the extent any Class H Performance Rights are determined to be capable of vesting, 50% will vest on 30 June 2026 and 50% will vest on 30 June 2027 provided that, unless the Board resolves otherwise, if a Related Party ceases to be a Director after the Board has determined

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the Class H Performance Rights that are capable of vesting but before vesting occurs, a proportion of the Class H Performance Rights that are capable of vesting will vest, being:

- (a) in respect of the Class H Performance Rights that would otherwise vest on 30 June 2026, a proportion equal to the proportion of the period 30 June 2025 to 30 June 2026 that has elapsed; and
- (b) in respect of the Class H Performance Rights that would otherwise vest on 30 June 2027, a proportion equal to the proportion of the period 30 June 2025 to 30 June 2027 that has elapsed.

The Class H Performance Rights that vest will expire 4 years from issue.

### **All Classes of Performance Right**

Class G and H Performance Rights will automatically vest on a Change of Control on a pro rata basis reflecting performance against the vesting conditions to the date of the Change of Control, as determined by the Board (comprising the Directors immediately prior to the Change of Control) acting reasonably.

Class G and H Performance Rights do not:

- (a) entitle the holder to vote on resolutions at a general meeting of shareholders of the Company except as otherwise required by law or where the resolution is to amend the rights attaching to the Performance Rights;
- (b) confer any right to a return of capital, whether in a winding up, or upon a return of capital or otherwise;
- (c) confer any right to participate in surplus profit or assets of the Company upon a winding up of the Company; or
- (d) confer an entitlement to participate in or receive any dividend.

**Annexure A – Nomination of Auditor**

**8 October 2024**

Babylon Pump and Power Limited  
1 Port Place  
High Wycombe, WA 6057

I, Lawrence Phillips, being a member of Babylon Pump and Power Limited (**Company**), nominate BDO Audit Pty Ltd in accordance with section 328B(1) of the *Corporations Act 2001* (Cth) (**Act**) to fill the office of auditor of the Company.

Please distribute copies of this notice of this nomination as required by section 328B(3) of the Act.

Signed and dated 8 October 2024:



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Your proxy voting instruction must be received by **10.30am (AWST) on Wednesday, 27 November 2024**, 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 Key Management Personnel.

### 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://automicgroup.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:

#### WEBSITE:

<https://automicgroup.com.au>

#### PHONE:

1300 288 664 (Within Australia)  
+61 2 9698 5414 (Overseas)

