

29 October 2024

Dear Shareholders

**Notice of the 2024 Annual General Meeting – Skin Elements Limited**

Notice is hereby given that the Annual General Meeting of Shareholders (Meeting) will be held at 1242 Hay Street West Perth WA 6005 on Friday 29<sup>th</sup> November 2024 at 10.45 AM (AWST).

In accordance with the Corporations Amendments (Meetings and Documents) Act 2022 which came into effect on 1 April 2022, the Company will not be dispatching physical copies of the Notice of Meeting (Notice). Instead, the Notice is being made available to shareholders electronically and can be viewed and downloaded from the online ASX platform at [www.asx.com.au](http://www.asx.com.au), or the Company's website at [www.skinelementslimited.com/investors/annualgeneralmeeting](http://www.skinelementslimited.com/investors/annualgeneralmeeting).

The Company strongly encourages Shareholders to vote by voting online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) or by lodging the associated proxy form to the Notice. Shareholders will be able to vote at the Meeting by either lodging a Proxy Form prior to the Meeting, or by poll during the Meeting.

Proxy Forms can be lodged as noted below. Instructions on how to complete the Proxy Form are set out in the NOM.

A copy of your personalised proxy form is enclosed for your convenience. Your proxy voting instructions must be received by 10:45am (AWST) on 27<sup>th</sup> November 2024, being not less than 48 hours before the commencement of the Meeting.

<b>ONLINE</b>	<a href="http://www.linkmarketservices.com.au">www.linkmarketservices.com.au</a>
<b>BY MAIL</b>	<b>Skin Elements Limited</b> <b>C/- Link Market Services Limited Locked Bag A14</b> <b>Sydney South NSW 1235 Australia</b>
<b>BY FAX</b>	<b>+61 2 9287 0309</b>
<b>BY HAND</b>	<b>Link Market Services Limited Parramatta Square, Level 22, Tower 6, 10 Darcy Street,</b> <b>Parramatta NSW 2150</b>
<b>ALL ENQUIRIES TO:</b>	<b>Telephone: +61 1300 554 474</b>
<b>LATEST LODGEMENT DATE:</b>	<b>10.45AM (AWST) Wednesday 27<sup>th</sup> November 2024</b>

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Shareholders attending the Meeting will be required to comply with all social distancing measures prescribed in government authorities and non-shareholder visitors will be limited.

The NOM should be read in its entirety. If you are in doubt as to how to vote, the Company encourages Shareholders to seek advice from their accountant, solicitor or other professional advisor prior to voting. If you have any difficulties in obtaining a copy of the NOM, please contact Stuart Usher by email ([stuart@skinelementslimited.com](mailto:stuart@skinelementslimited.com)) or by telephone on (08) 6311 1900.

For and on behalf of the Board.

Yours faithfully

SKIN ELEMENTS LIMITED



Stuart Usher

Company Secretary

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**SKIN ELEMENTS LIMITED  
ACN 608 047 794**

**NOTICE OF ANNUAL GENERAL  
MEETING**

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**The 2024 Annual General Meeting of the  
Company will be held at 1242 Hay Street,  
West Perth, Western Australia on Friday,  
29<sup>th</sup> November 2024 at 10.45AM (AWST).**

## SKIN ELEMENTS LIMITED

ACN 608 047 794

### NOTICE OF MEETING

Notice is hereby given that the 2024 Annual General Meeting of the Shareholders of Skin Elements Limited (**Company**) will be held at 1242 Hay Street, West Perth, Western Australia on Friday, 29<sup>th</sup> November 2024 at 11:00am (AWST) (**Meeting**).

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

The Directors have determined pursuant to regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 28<sup>th</sup> November 2024, 5.00pm (AWST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Schedule 1 of the Explanatory Memorandum.

### 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.

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#### RESOLUTION 1                      REMUNERATION REPORT (NON-BINDING)

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

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

A voting exclusion statement is set out below.

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

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#### RESOLUTION 2                      RE-ELECTION OF DIRECTOR – MR FILIPPO (PHIL) GIGLIA

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

*“That, pursuant to and in accordance with Listing Rule 14.4, article 13.2 of the Constitution and for all other purposes, Mr Filippo Giglia, Director, retires and being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.”*

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**RESOLUTION 3                      ADOPTION OF NEW LONG-TERM INCENTIVE PLAN**

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

*“That, for the purpose of Listing Rule 7.2 Exception 13(b), Shareholders approve the adoption of the employee incentive scheme known as the “Skin Elements Limited Equity Incentive Plan”, a summary of which is set out in the Explanatory Memorandum, and the issue of the Equity Securities thereunder, on the terms and conditions set out in the Explanatory Memorandum, as an exception to Listing Rule 7.1.”*

A voting exclusion statement is set out below.

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**RESOLUTION 4                      ISSUE OF CLASS A PERFORMANCE RIGHTS TO MR PETER MALONE  
(OR HIS NOMINEE)**

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

*“That, for the purposes of Listing Rule 10.14 and sections 195(4) and 208 of the Corporations Act, approval is given for the Company to issue to Mr Peter Malone (or his nominee) 50,000,000 Class A Performance Rights on the terms and conditions set out in the Explanatory Memorandum.”*

A voting exclusion statement is set out below.

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**RESOLUTION 5                      ISSUE OF CLASS B PERFORMANCE RIGHTS TO MR PETER MALONE  
(OR HIS NOMINEE)**

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

*“That, for the purposes of Listing Rule 10.14 and sections 195(4) and 208 of the Corporations Act, approval is given for the Company to issue to Mr Peter Malone (or his nominee) 50,000,000 Class B Performance Rights on the terms and conditions set out in the Explanatory Memorandum.”*

A voting exclusion statement is set out below.

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**RESOLUTION 6                      ISSUE OF CLASS B PERFORMANCE RIGHTS TO MR FILIPPO (PHIL)  
GIGLIA (OR HIS NOMINEE)**

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

*“That, for the purposes of Listing Rule 10.14 and sections 195(4) and 208 of the Corporations Act, approval is given for the Company to issue to Mr Filippo (Phil) Giglia (or his nominee) 10,000,000 Class B Performance Rights on the terms and conditions set out in the Explanatory Memorandum.”*

A voting exclusion statement is set out below.

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**RESOLUTION 7                      ISSUE OF CLASS B PERFORMANCE RIGHTS TO MR STUART USHER  
(OR HIS NOMINEE)**

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

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*“That, for the purposes of Listing Rule 10.14 and sections 195(4) and 208 of the Corporations Act, approval is given for the Company to issue to Mr Stuart Usher (or his nominee) 2,000,000 Class B Performance Rights on the terms and conditions set out in the Explanatory Memorandum.”*

A voting exclusion statement is set out below.

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**RESOLUTION 8                    ISSUE OF TERMINATION BENEFITS TO MR PETER MALONE**

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

*“That, subject to the passing of Resolution 3, for the purposes of Listing Rule 10.19 and sections 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the giving of potential termination benefits, being 50,000,000 Class A Performance Rights the subject of Resolution 3, to Mr Peter Malone (or his nominee), on the terms and conditions set out in the Explanatory Memorandum.”*

A voting exclusion statement and a voting prohibition is set out below.

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**RESOLUTION 9                    ISSUE OF TERMINATION BENEFITS TO MR PETER MALONE**

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

*“That, subject to the passing of Resolution 4, for the purposes of Listing Rule 10.19 and sections 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the giving of potential termination benefits, being 50,000,000 Class B Performance Rights the subject of Resolution 4, to Mr Peter Malone (or his nominee), on the terms and conditions set out in the Explanatory Memorandum.”*

A voting exclusion statement and a voting prohibition is set out below.

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**RESOLUTION 10                    ISSUE OF TERMINATION BENEFITS TO MR FILIPPO (PHIL) GIGLIA**

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

*“That, subject to the passing of Resolution 5, for the purposes of Listing Rule 10.19 and sections 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the giving of potential termination benefits, being 10,000,000 Class B Performance Rights the subject of Resolution 5, to Mr Filippo (Phil) Giglia (or his nominee), on the terms and conditions set out in the Explanatory Memorandum.”*

A voting exclusion statement and a voting prohibition is set out below.

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**RESOLUTION 11                    ISSUE OF TERMINATION BENEFITS TO MR STUART USHER**

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

*“That, subject to the passing of Resolution 6, for the purposes of Listing Rule 10.19 and sections 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the giving of potential termination benefits, being 2,000,000 Class B Performance Rights the subject of Resolution 6, to Mr Stuart Usher (or his nominee), on the terms and conditions set out in the Explanatory*

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Memorandum.”

A voting exclusion statement and a voting prohibition is set out below.

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**RESOLUTION 12      APPROVAL OF 10% PLACEMENT FACILITY**

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

*“That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.”*

A voting exclusion statement is set out below.

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**RESOLUTION 13      ISSUE OF SHARES TO RELATED PARTY - MR PETER MALONE - IN LIEU OF DIRECTOR’S FEES**

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 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 56,620,000 Shares to Mr Peter Malone (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement and a voting prohibition statement is set out below.

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**RESOLUTION 14      ISSUE OF SHARES TO RELATED PARTY - MR FILIPPO (PHIL) GIGLIA - IN LIEU OF DIRECTOR’S FEES**

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 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 14,123,333 Shares to Mr Filippo (Phil) Giglia (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement and a voting prohibition statement is set out below.

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**RESOLUTION 15      ISSUE OF SHARES TO RELATED PARTY - MR STUART USHER - IN LIEU OF DIRECTOR’S FEES**

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 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 14,123,333 Shares to Mr Stuart Usher (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement and a voting prohibition statement is set out below.

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**RESOLUTION 16      ISSUE OF SHARES TO MR LEO FUNG (OR HIS NOMINEE)**

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

*“That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 36,733,333 Shares to Mr Leo Fung (or his nominee) on the terms and conditions in the Explanatory Memorandum.”*

A voting exclusion statement is set out below.

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**RESOLUTION 17      ISSUE OF SHARES TO MR CRAIG PIERCY (OR HIS NOMINEE)**

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

*“That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 36,733,333 Shares to Mr Craig Piercy (or his nominee) on the terms and conditions in the Explanatory Memorandum.”*

A voting exclusion statement is set out below.

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**RESOLUTION 18      ISSUE OF SHARES TO MR KENNETH RAYWARD (OR HIS NOMINEE)**

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue to Mr Kenneth Rayward (or his nominee) 8,333,333 Shares on the terms and conditions set out in the Explanatory Memorandum.”*

A voting exclusion statement is set out below.



## Voting prohibition and exclusion statements

### Corporations Act

The Corporations Act prohibits votes being cast (in any capacity) on the following resolutions by any of the following persons:

Resolution	Persons Excluded from Voting
Resolution 1 - Remuneration Report (non-binding)	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of the following persons:</p> <ul style="list-style-type: none"><li>(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or</li><li>(b) a Closely Related Party of such a member.</li></ul> <p>However, a person described above 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:</p> <ul style="list-style-type: none"><li>(c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or</li><li>(d) the voter is the Chair of the Meeting and the appointment of the Chair as proxy:<ul style="list-style-type: none"><li>(i) does not specify the way the proxy is to vote on this Resolution; and</li><li>(ii) expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.</li></ul></li></ul>
Resolution 4 – Issue of Class A Performance Rights to Mr Peter Malone (or his nominee)	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of the following persons:</p> <ul style="list-style-type: none"><li>(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or</li><li>(b) a Closely Related Party of such a member,</li></ul> <p>and the appointment does not specify the way the proxy is to vote on this Resolution.</p> <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"><li>(a) the proxy is the Chair; and</li><li>(b) the appointment 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 for the Company.</li></ul>
Resolution 5 – Issue of Class B Performance Rights to Mr Peter Malone (or his nominee)	
Resolution 6 – Issue of Class B Performance Rights to Mr Filippo (Phil) Giglia (or his nominee)	
Resolution 7 – Issue of Class B Performance Rights to Mr Stuart Usher (or his nominee)	
Resolution 13 – Issue of Shares to Related Party – Mr Peter Malone (or his nominee) – in lieu of Directors’ fees	
Resolution 14 – Issue of Shares to Related Party – Mr Filippo (Phil)	

Giglia (or his nominee) – in lieu of Directors' fees

Resolution 15 – Issue of Shares to Related Party – Mr Stuart Usher (or his nominee) – in lieu of Directors' fees

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Resolution 8 – Issue of Termination Benefits to Mr Peter Malone	A vote on the Resolution must not be cast (in any capacity) by or on behalf of the relevant Director or an associate of that Director. However, this does prevent the casting of a vote if:
Resolution 9 – Issue of Termination Benefits to Mr Peter Malone	
Resolution 10 – Issue of Termination Benefits to Mr Filippo (Phil) Giglia	(a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution; and
Resolution 11 – Issue of Termination Benefits to Mr Stuart Usher	(b) it is not cast on behalf of the relevant Director or an associate of that Director.

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**Listing Rule 14.11**

Under LR 14.11, the Company will disregard any votes cast on the following Resolutions by the following persons and their associates:

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<b>Resolution</b>	<b>Persons excluded from voting</b>
Resolution 3 – Adoption of New Long-Term Incentive Plan	A person who is eligible to participate in the New Plan.
Resolution 12 – Approval of 10% Placement Facility	Persons who may participate in the proposed issue and a person who might obtain a material benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed.
Resolution 4 – Issue of Class A Performance Rights to Mr Peter Malone (or his nominee)	Peter Malone (or his nominee), being a person who is eligible to participate in the New Plan.
Resolution 5 – Issue of Class B Performance Rights to Mr Peter Malone (or his nominee)	
Resolution 13 – Issue of Shares to Related Party – Mr Peter Malone (or his nominee) – In lieu of Director's Fees	Peter Malone (or his nominee) and any other person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company).
Resolution 8 – Issue of termination benefits to Mr Peter Malone	An officer of the Company or any of its child entities who is entitled to participate in the termination benefit, being Peter Malone for the purpose of this Resolution.
Resolution 9 – Issue of termination benefits to Mr Peter Malone	
Resolution 6 – Issue of Class B Performance Rights to Mr Filippo (Phil) Giglia (or his nominee)	Filippo (Phil) Giglia (or his nominee), being a person who is eligible to participate in the New Plan.

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Resolution 10 – Issue of termination benefits to Mr Filippo (Phil) Giglia	An officer of the Company or any of its child entities who is entitled to participate in the termination benefit, being Filippo (Phil) Giglia for the purpose of this Resolution.
Resolution 14 – Issue of Shares to Related Party – Mr Filippo (Phil) Giglia (or his nominee) – In lieu of Director’s Fees	Filippo (Phil) Giglia (or his nominee) and any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).
Resolution 7 – Issue of Class B Performance Rights to Mr Stuart Usher (or his nominee)	Stuart Usher (or his nominee), being a person who is eligible to participate in the New Plan.
Resolution 11 – Issue of termination benefits to Mr Stuart Usher	An officer of the Company or any of its child entities who is entitled to participate in the termination benefit, being Stuart Usher for the purpose of this Resolution.
Resolution 15 – Issue of Shares to Related Party – Mr Stuart Usher (or his nominee) – In lieu of Director’s Fees	Stuart Usher (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the Shares (except a benefit solely by reason of being a holder of ordinary securities in the Company).
Resolution 16 – Issue of Shares to Mr Leo Fung (or his nominee)	Leo Fung (or his nominee), or who might obtain a benefit as a result of the proposed issue (except a benefit solely in the capacity as a holder of ordinary securities in the Company).
Resolution 17 – Issue of Shares to Mr Craig Piercy (or his nominee)	Craig Piercy (or his nominee), or who might obtain a benefit as a result of the proposed issue (except a benefit solely in the capacity as a holder of ordinary securities in the Company).
Resolution 18 – Issue of Shares to Mr Kenneth Rayward (or his nominee)	Kenneth Rayward (or his nominee), or who might obtain a benefit as a result of the proposed issue (except a benefit solely in the capacity as a holder of ordinary securities in the Company).

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as proxy for the person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; or
- (c) it is cast by 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.

#### Questions and comments

Shareholders will be provided the opportunity to ask questions about, or make comments on, the management of the Company.

By order of the Board of Directors



Stuart Usher  
Company Secretary  
29<sup>th</sup> October 2024

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## EXPLANATORY STATEMENT TO THE NOTICE

### 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 1242 Hay street, West Perth, Western Australia on Friday, 29<sup>th</sup> November 2024 at 10:45am (AWST).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

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

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

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### 1 Action To Be Taken By Shareholders

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

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to

appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions set out in the Proxy Form. Returning the Proxy Form to the Company will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

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

Proxy Forms must be received by the Company no later than 27<sup>th</sup> November at 10:45AM (AWST), 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, the Annual Report for the financial year ended 30 June 2024 must be laid before the Meeting.

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

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

In addition to taking questions at the Meeting, written questions to the Chairperson about the management of the Company, or to the Auditor about:

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

may be submitted no later than 5 business days before the Meeting to the Company Secretary by email at [corporate@skinelementslimited.com](mailto:corporate@skinelementslimited.com).

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## 3 Resolution 1 – Remuneration report

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

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and

does not bind the Directors of the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

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

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

The Company's Remuneration Report did not receive a Strike at the 2022 annual general meeting. Please note, if the Remuneration Report receives a Strike at this Meeting and if a second Strike is received at the 2024 annual general meeting, this may result in the re-election of the Board.

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

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#### 4 **Resolution 2 – Re-Election of Mr Filippo (Phil) Giglia as a Director**

Listing Rule 14.4 requires an election of directors to be held at each annual general meeting.

Article 13.2 of the Constitution requires one third of all Directors, or if their number is not a multiple of three, then the number nearest one-third (rounded upwards in the case of doubt to the nearest whole number) to retire at each annual general meeting.

Article 13.2 of the Constitution also states that a Director who retires under this article is eligible for re-election.

Resolution 2 provides that Filippo (Phil) Giglia retires by rotation and seeks re-election as Director.

Details of Phil Giglia's background and experience are set out in the Annual Report.

Resolution 2 is an ordinary resolution.

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

The Directors (excluding Mr Giglia) recommend that Shareholders vote in favour of this Resolution.

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#### 5 **Resolutions 3 – Adoption of new Long-Term Incentive Plan**

##### 5.1 **Background**

Resolution 3 seeks Shareholder approval for the purposes of Listing Rule 7.2 Exception 13(b), to adopt a new employee incentive plan titled the "Skin Elements Limited Equity Incentive Plan" (**New Plan**), pursuant to which eligible participants may be offered the opportunity to be granted Performance Rights, Options and Shares in the Company (**Incentive Securities**). The Company adopted the current Plan on 26 April 2022, which was prior to the recent changes to employee share schemes under the Corporations Act as amended by the *Treasury Laws Amendment (Costs of Living Support and Other Measures) Act 2022*.

In the current extremely competitive market for employees the Board has decided to update its current Plan so that it better meets the Company's objectives and reflects the current legal requirements for employee share schemes. As such, the Company is seeking

Shareholder approval to adopt the New Plan.

The purpose of the New Plan is to:

- (a) reward employees of the Company;
- (b) assist in the retention and motivation of employees of the Company; and
- (c) to provide an incentive to employees of the Company to grow Shareholder value by providing them with an opportunity to receive an ownership interest in the Company.

For the avoidance of doubt, the Directors may adopt the New Plan without Shareholder approval in any event. The purpose of Resolution 3 is to seek Shareholder approval for the issue of Incentive Securities under the New Plan to utilise the exemption to Listing Rule 7.1 whereby if Shareholders approve Resolution 3, any issues of Incentive Securities under the New Plan will not be included in the Company's Listing Rule 7.1 capacity.

## 5.2 Regulatory requirements

Listing Rule 7.1 provides that, unless an exception applies, a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves, or when aggregated with the Equity Securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12-month period.

Listing Rule 7.2 Exception 13(b) sets out an exception to Listing Rule 7.1. It provides that issues of securities under an employee incentive scheme are not included in a company's 15% limit under Listing Rule 7.1, if within three years before the date of issue, shareholders have approved the issue of securities thereunder as an exception to Listing Rule 7.1.

Accordingly, Resolution 3 seeks approval from Shareholders for adoption of the New Plan and the issue of Incentive Securities thereunder for a period of three years from the date of the Meeting, as an exception to Listing Rule 7.1.

If Resolution 3 is passed, the Company will be able to issue Incentive Securities under the New Plan to eligible participants over a period of three years from the date of the Meeting without impacting on the Company's ability to issue to up 15% of its total ordinary securities without Shareholder approval in any 12-month period.

If Resolution 3 is not passed, the Directors may still adopt the New Plan and the Company will be able to proceed with the issue of Incentive Securities under it. However the issue of Incentive Securities under the New Plan will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Incentive Securities. Accordingly, the Company will not be able to utilise the exception to Listing Rule 7.1 that is provided in Listing Rule 7.2 Exception 13(b).

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of Incentive Securities under the New Plan to a related party or a person whose relationship with the Company or the related party, is in ASX's opinion, such that Shareholder approval should be obtained.

## 5.3 Technical information required by Listing Rule 10.13

The following information is provided to the Shareholders for the purpose of Listing Rule 7.2 Exception 13(b):

- (a) A summary of the material terms of the New Plan



A summary of the material terms of the New Plan is set out in Schedule 2.

(b) Previous issues of securities

This is the first approval sought under Listing Rule 7.2 Exception 13(b) with respect to the New Plan. Accordingly, no Incentive Securities have previously been issued under the New Plan as it is a new incentive plan.

Since the Company adopted the current Plan on 26 April 2022, it has issued 172,000,000 securities under that Plan. The Company has decided to cancel these securities and proposes to issue performance rights under the New Plan.

(c) Maximum number of securities to be issued

The maximum number of Incentive Securities proposed to be issued under the New Plan following Shareholder approval is 100,000,000 Class A Performance Rights and 200,000,000 Class B Performance Rights. This number is not intended to be a prediction of the actual number of Equity Securities to be issued by the Company, simply a ceiling for the purposes of Listing Rule 7.2 Exception 13(b).

The maximum number of Incentive Securities proposed to be issued under the New Plan may be increased with Shareholder approval. Any issues of Incentive Securities issued outside of the maximum number of Incentive Securities, and issued without Shareholder approval, will be issued using the Company's existing placement capacity under Listing Rule 7.1.

(d) Voting exclusion statement

A voting exclusion statement for Resolution 6 is included in the Notice.

#### 5.4 Board recommendations

The Board declines to make a recommendation in respect of Resolution 3 due to the fact that the Directors have a personal interest in the outcome of the Resolution as Incentive Securities may be issued to the Directors under the Plan.

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## 6 Resolutions 4 – Issue of Performance Rights to the Directors

### 6.1 General

Resolution 4 seeks Shareholder approval to issue the following Performance Rights to the Directors pursuant to the New Plan:

Holder	Class	Number
Peter Malone (or his nominee)	Class A Performance Rights	50,000,000

The Board has resolved to cancel the existing Class A Performance Rights and existing Class B Performance Rights granted to the Directors under the Company's current Plan (which was approved by the Shareholders on 26 April 2022). The cancellation is to be effected without consideration.

The purpose of the Class A Performance Rights is to recognise and reward Mr Malone for delivering the value of SE Formula technology through research and development to ready for global commercialisation. The all-natural SE Formula technology is the core of the Company's range of products including Soleo Organics sunscreen, PapayActiv therapeutic skincare, InvisiShield and SuprCuivr disinfectants and ECO Nurture Bio-stimulant agriculture products. This extensive work has been undertaken over the past 19 years in difficult circumstances and the remuneration provided to Mr Malone during this period did not provide for any incentive based recognition or compensation for this work during this period.

Accordingly, the Class A Performance Rights are proposed to be granted to Mr Malone in partial consideration for such work.

Resolution 4 seeks Shareholder approval in order to comply with the requirements of Listing Rule 10.14 and sections 195(4) and 208 of the Corporations Act.

Resolution 4 is an ordinary resolution and is dependent on Resolution 3 being passed.

## 6.2 Listing Rule 10.14

Listing Rule 10.14 provides that a company must not issue, under an employee incentive scheme, Equity Securities to:

- (a) a director of the Company;
- (b) an Associate of a director of the Company;
- (c) a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by the Shareholders,

unless the issue has been approved by the holders of ordinary securities.

The Performance Rights to be issued to each of the Directors fall within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Performance Rights the subject of that Resolution.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the Performance Rights the subject of that Resolution. This will impact the Company's ability to recognise and reward the relevant Director and align his remuneration arrangements in the best long-term interests of shareholders. In these circumstances, the Company will need to consider alternative remuneration arrangements including higher cash components of the remuneration for that Director.

## 6.3 Listing Rule 10.15

In compliance with the information requirements of Listing Rule 10.14, Shareholders are advised of the following information:

- (a) Nature of relationship between person to receive securities and the Company

The Performance Rights will be issued to Peter Malone (or his nominee) who falls within the category set out in Listing Rule 10.14.1, as each is a related party of the Company by virtue of being a Director.

- (b) Number of securities that may be acquired pursuant to the Resolutions

The number of Performance Rights to be issued is as follows:

- (i) Resolution 4 – 50,000,000 Class A Performance Rights

- (c) Directors' current total remuneration package

Details of the proposed remuneration of the Directors, including their related entities, for the financial year ending 30 June 2025, is as follows:

Director	Salary and Fees (incl super)	Share based payments	Performance Rights <sup>1</sup>	Total Remuneration
Mr Peter Malone	\$101,340	\$169,860 <sup>2</sup>	\$181,093	\$452,293

**Notes:**

1. Values of the Performance Rights, which are subject to approval pursuant to Resolution 4 were determined using Binomial Valuation pricing model (refer to Schedule 5).
2. Includes the \$169,860 worth of Director Shares to be issued to Mr Malone in lieu of cash payment for Directors' fees the subject of Resolution 13.

(d) Previous issues to the Directors under the New Plan

As this is the first time that Shareholder approval is being sought for the adoption of the New Plan under Resolution 3, no Performance Rights have previously been issued under the New Plan.

(e) Material terms of Performance Rights

A summary of the material terms and conditions of the Class A Performance Rights is provided for in Schedule 3 to this Notice.

Details of the value of the Performance Rights is set out at Schedule 5.

(f) Use of Performance Rights

Class A Performance Rights	The Class A Performance Rights will vest on the grant to Mr Malone in partial consideration for the work undertaken by Mr Malone over the past 19 years on the development of the all-natural SE Formula technology used in the Company's range of products including Soleo Organics sunscreen, InvisiShield and SuprCuvr disinfectants and ECO Nurture Biostimulant product and to position the business for global commercialisation.
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The Board believes that the grant of the Performance Rights:

- (i) will align the interests of the Directors with those of the Shareholders;
- (ii) 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 Directors; and
- (iii) the Company does not consider that there are any opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights on the terms proposed.

(g) Issue date

The Company will issue the Performance Rights under Resolution 4 as soon as possible after the date of the Meeting and in any event within one month of the Meeting.

(h) Issue price

The Performance Rights are to be issued for a nil issue price.

(i) Summary of material terms of the Plan and Eligible Participants

A summary of the material terms of the New Plan is provided for in Schedule 2 to this Notice.

The Board may, in its absolute discretion, invite an “Eligible Person” to participate in the New Plan. An “Eligible Person” means a person that is a “primary participant” (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an associated body corporate and has been determined by the Board to be eligible to participate in the New Plan from time to time.

Details of any securities issued under the New 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.

Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after this Resolution is approved and who are not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.

(j) Loan

No loans have or will be made by the Company in connection with the proposed issue of the Performance Rights.

(k) Voting exclusion statement

A voting exclusion statement for each of Resolution 4 is included in the Notice.

#### 6.4 Section 195(4) of the Corporations Act

Mr Malone has a material personal interest in the outcome of Resolution 4 in this Notice of Meeting by virtue of the fact that Resolution 4 is concerned with the issue of Performance Rights to Directors.

Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a material personal interest are being considered.

In the absence of Shareholder approval under section 195(4) of the Corporations Act, the Directors may not be able to form a quorum at Board meetings necessary to carry out the terms of these Resolutions.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to determine.

#### 6.5 Section 208 of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of “financial benefits” to “related parties” by a public company. Chapter 2E prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- prior shareholder approval is obtained to the giving of the financial benefit.

A “related party” is widely defined under the Corporations Act and includes the directors of a company. As such, the Directors of the Company are related parties of the Company for the purposes of section 208 of the Corporations Act.

A “financial benefit” is construed widely and in determining whether a financial benefit is being given, section 229 of the Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial

benefit. Section 229 of the Corporations Act includes as an example of a financial benefit, the issuing of securities or the granting of an option to a related party.

The issue of the Performance Rights under Resolution 4 constitutes the provision of a financial benefit to a related party.

In compliance with the information requirements of section 219 of the Corporations Act, Shareholders are advised of the information below. The Company is not aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by Resolution 4.

(a) Identity of the parties to whom Resolution 4 permits financial benefits to be given  
The Performance Rights are proposed to be issued to Peter Malone (or his nominee) who is a Director of the Company and, as such, a related party of the Company.

(b) Nature of the financial benefits  
Resolution 4 seeks approval from Shareholders to allow the Company to issue to the Directors the Performance Rights, the material terms of which are set out at Schedules 3 and 4.

The Shares to be issued upon the vesting and exercise of the Performance Rights will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

The issue of Performance Rights are a cost effective and efficient means for the Company to provide incentive to its personnel as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. To enable the Company to secure and retain employees and directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The issue of the Performance Rights is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain significant shareholdings in the Company.

(c) Valuation of financial benefit  
The Company has conducted a valuation on the Performance Rights, the details of which are set out at Schedule 5.

(d) Dilution  
If the Performance Rights vest and are exercised, the effect will be to dilute the holdings of Shares of other Shareholders. Assuming no options are exercised, the dilutive effect of the Performance Rights on the Company's share capital (based on the number of Shares on issue as at the date of this Notice of Meeting) is as follows:

Scenario	Dilution percentage
If only Performance Rights under Resolution 4 are exercised:	7.25%

(e) Interests of Directors in the Company  
The direct and indirect interests of the Directors in securities of the Company as at the date of this Notice of Meeting are:

Name	Shares	Options	Performance Rights <sup>1</sup>
Peter Malone (and his nominees)	31,743,116	5,290,520	100,000,000

**Note:**

1. The existing Performance Rights were all issued on 16 May 2022 under the Company's current Plan (which was approved by Shareholders on 26 April 2022) and will be cancelled.

## (f) Remuneration of Directors

Details of the proposed remuneration of the Directors, including their related entities, for the financial year ending 30 June 2025, is set out in section 6.3(c).

## (g) Trading history

The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

	Price	Date
Highest closing price	\$0.007	14 November 2023
Lowest closing price	\$0.003	11 July 2024

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice of \$0.004 per Share on 11 October 2024.

## (h) Corporate governance

The Board acknowledges the grant of the Performance Rights to Mr Malone as a Directors is contrary to Recommendation 8.2 of the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Board considers that the grant of Performance Rights is reasonable in the circumstances as the proposed issue will further align the interests of Messrs Malone, Giglia and Usher with those of the Shareholders and shall provide appropriate remuneration for these Directors' ongoing commitment and contribution to the Company whilst minimising the expenditure of the Company's cash resources.

## (i) Taxation consequences

There are no taxation consequences for the Company arising from the issue of the Performance Rights (including fringe benefits tax).

**6.6 Board recommendation**

Resolution 4	<p>Mr Malone declines to make a recommendation to Shareholders with respect to Resolution 4, due to the fact Mr Malone has a personal interest in the outcome of this Resolution.</p> <p>Mr Giglia and Mr Usher recommend that Shareholders vote in favour of Resolution 4 for reasons given above.</p>
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## 7 Resolution 5 – Issue of Performance Rights to the Directors

### 7.1 General

Resolution 5 seek Shareholder approval to issue the following Performance Rights to the Directors pursuant to the New Plan:

Holder	Class	Number
Peter Malone (or his nominee)	Class B Performance Rights	50,000,000

The Board has resolved to cancel the following existing Class A Performance Rights and existing Class B Performance Rights granted to the Directors under the Company's current Plan (which was approved by the Shareholders on 26 April 2022). The cancellation is to be effected without consideration.

The purpose of the Class B Performance Rights is to attract, incentivise and retain suitable key personnel in a cost-effective manner to drive commercialisation growth and align with shareholder values.

Resolution 5 seeks Shareholder approval in order to comply with the requirements of Listing Rule 10.14 and sections 195(4) and 208 of the Corporations Act.

Resolution 5 is an ordinary resolution and is dependent on Resolution 3 being passed.

### 7.2 Listing Rule 10.14

Listing Rule 10.14 provides that a company must not issue, under an employee incentive scheme, Equity Securities to:

- (a) a director of the Company;
- (b) an Associate of a director of the Company;
- (c) a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by the Shareholders,

unless the issue has been approved by the holders of ordinary securities.

The Performance Rights to be issued to each of the Directors fall within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Performance Rights the subject of that Resolution.

If Resolutions 5 is not passed, the Company will not be able to proceed with the issue of the Performance Rights the subject of that Resolution. This will impact the Company's ability to recognise and reward the relevant Director and align his remuneration arrangements in the best long-term interests of shareholders. In these circumstances, the Company will need to consider alternative remuneration arrangements including higher cash components of the remuneration for that Director.

### 7.3 Listing Rule 10.15

In compliance with the information requirements of Listing Rule 10.14, Shareholders are advised of the following information:

- (a) Nature of relationship between person to receive securities and the Company  
The Performance Rights will be issued to Peter Malone (or his nominee) who falls within the category set out in Listing Rule 10.14.1, as each is a related party of the Company by virtue of being a Director.

- (b) Number of securities that may be acquired pursuant to the Resolutions

The number of Performance Rights to be issued is as follows:

- (i) Resolution 5 – 50,000,000 Class B Performance Rights

- (c) Directors' current total remuneration package

Details of the proposed remuneration of the Directors, including their related entities, for the financial year ending 30 June 2025, is as follows:

Director	Salary and Fees (incl super)	Share based payments	Performance Rights <sup>1</sup>	Total Remuneration
Mr Peter Malone	\$101,340	\$169,860 <sup>2</sup>	\$181,093	\$452,293

**Notes:**

- Values of the Performance Rights, which are subject to approval pursuant to Resolutions 5 were determined using Binomial Valuation pricing model (refer to Schedule 5).
- Includes the \$169,860 worth of Director Shares to be issued to Mr Malone in lieu of cash payment for Directors' fees the subject of Resolution 13.

- (d) Previous issues to the Directors under the New Plan

As this is the first time that Shareholder approval is being sought for the adoption of the New Plan under Resolution 3, no Performance Rights have previously been issued under the New Plan.

- (e) Material terms of Performance Rights

A summary of the material terms and conditions of the Class B Performance Rights is provided for in Schedule 4 to this Notice.

Details of the value of the Performance Rights is set out at Schedule 5.

- (f) Use of Performance Rights

Class B Performance Rights	The Class B Performance Rights will vest on the achievement of performance hurdles (as set out in Schedule 4 to this Notice) and which are revenue based and arrive from sales of the Company's product range.
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The Board believes that the grant of the Performance Rights:

- will align the interests of the Directors with those of the Shareholders;
  - 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 Directors; and
  - the Company does not consider that there are any opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights on the terms proposed.
- (g) Issue date

The Company will issue the Performance Rights under Resolution 5 as soon as



possible after the date of the Meeting and in any event within one month of the Meeting.

(h) Issue price

The Performance Rights are to be issued for a nil issue price.

(i) Summary of material terms of the Plan and Eligible Participants

A summary of the material terms of the New Plan is provided for in Schedule 2 to this Notice.

The Board may, in its absolute discretion, invite an “Eligible Person” to participate in the New Plan. An “Eligible Person” means a person that is a “primary participant” (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an associated body corporate and has been determined by the Board to be eligible to participate in the New Plan from time to time.

Details of any securities issued under the New 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.

Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after this Resolution is approved and who are not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.

(j) Loan

No loans have or will be made by the Company in connection with the proposed issue of the Performance Rights.

(k) Voting exclusion statement

A voting exclusion statement for each of Resolution 5 is included in the Notice.

#### 7.4 Section 195(4) of the Corporations Act

Mr Malone has a material personal interest in the outcome of Resolution 5 in this Notice of Meeting by virtue of the fact that Resolution 5 is concerned with the issue of Performance Rights to Directors.

Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a material personal interest are being considered.

In the absence of Shareholder approval under section 195(4) of the Corporations Act, the Directors may not be able to form a quorum at Board meetings necessary to carry out the terms of these Resolutions.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to determine.

#### 7.5 Section 208 of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of “financial benefits” to “related parties” by a public company. Chapter 2E prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- prior shareholder approval is obtained to the giving of the financial benefit.

A “related party” is widely defined under the Corporations Act and includes the directors of a company. As such, the Directors of the Company are related parties of the Company for the purposes of section 208 of the Corporations Act.

A “financial benefit” is construed widely and in determining whether a financial benefit is being given, section 229 of the Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. Section 229 of the Corporations Act includes as an example of a financial benefit, the issuing of securities or the granting of an option to a related party.

The issue of the Performance Rights under each of Resolution 5 constitutes the provision of a financial benefit to a related party.

In compliance with the information requirements of section 219 of the Corporations Act, Shareholders are advised of the information below. The Company is not aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by Resolution 5.

(a) Identity of the parties to whom Resolution 5 permits financial benefits to be given  
The Performance Rights are proposed to be issued to Peter Malone (or his nominee) who is a Director of the Company and, as such, a related party of the Company.

(b) Nature of the financial benefits  
Resolution 5 seeks approval from Shareholders to allow the Company to issue to the Directors the Performance Rights, the material terms of which are set out at Schedules 3 and 4.

The Shares to be issued upon the vesting and exercise of the Performance Rights will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company’s existing Shares and will rank equally in all respects with the Company’s existing Shares. The Company will apply for official quotation of the Shares on ASX.

The issue of Performance Rights are a cost effective and efficient means for the Company to provide incentive to its personnel as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. To enable the Company to secure and retain employees and directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The issue of the Performance Rights is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain significant shareholdings in the Company.

(c) Valuation of financial benefit  
The Company has conducted a valuation on the Performance Rights, the details of which are set out at Schedule 5.

(d) Dilution  
If the Performance Rights vest and are exercised, the effect will be to dilute the holdings of Shares of other Shareholders. Assuming no options are exercised, the dilutive effect of the Performance Rights on the Company’s share capital (based on the number of Shares on issue as at the date of this Notice of Meeting) is as follows:

Scenario	Dilution percentage
If only Performance Rights under Resolution 5 are exercised:	7.25%

(e) Interests of Directors in the Company

The direct and indirect interests of the Directors in securities of the Company as at the date of this Notice of Meeting are:

Name	Shares	Options	Performance Rights <sup>1</sup>
Peter Malone (and his nominees)	31,743,116	5,290,520	100,000,000

**Note:**

- The existing Performance Rights were all issued on 16 May 2022 under the Company's current Plan (which was approved by Shareholders on 26 April 2022) and will be cancelled.

(f) Remuneration of Directors

Details of the proposed remuneration of the Directors, including their related entities, for the financial year ending 30 June 2025, is set out in section 6.3(c).

(g) Trading history

The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

	Price	Date
Highest closing price	\$0.007	14 November 2023
Lowest closing price	\$0.003	11 July 2024

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice of Meeting of \$0.004 per Share on 11 October 2024.

Corporate governance

The Board acknowledges the grant of the Performance Rights to Mr Malone as a Directors is contrary to Recommendation 8.2 of the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Board considers that the grant of Performance Rights is reasonable in the circumstances as the proposed issue will further align the interests of Messrs Malone, Giglia and Usher with those of the Shareholders and shall provide appropriate remuneration for these Directors' ongoing commitment and contribution to the Company whilst minimising the expenditure of the Company's cash resources.

(h) Taxation consequences

There are no taxation consequences for the Company arising from the issue of the Performance Rights (including fringe benefits tax).

**7.6 Board recommendation**

Resolution 5	Mr Malone declines to make a recommendation to Shareholders with
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	<p>respect to Resolutions 5, due to the fact Mr Malone has a personal interest in the outcome of this Resolution.</p> <p>Mr Giglia and Mr Usher recommend that Shareholders vote in favour of Resolution 5 for reasons given above.</p>
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## 8 Resolution 6 – Issue of Performance Rights to the Directors

### 8.1 General

Resolution 6 seek Shareholder approval to issue the following Performance Rights to the Directors pursuant to the New Plan:

Holder	Class	Number
Filippo (Phil) Giglia (or his nominees)	Class B Performance Rights	10,000,000

The Board has resolved to cancel the following existing Class A Performance Rights and existing Class B Performance Rights granted to the Directors under the Company's current Plan (which was approved by the Shareholders on 26 April 2022). The cancellation is to be effected without consideration.

The purpose of the Class B Performance Rights is to attract, incentivise and retain suitable key personnel in a cost-effective manner to drive commercialisation growth and align with shareholder values.

Resolution 6 seeks Shareholder approval in order to comply with the requirements of Listing Rule 10.14 and sections 195(4) and 208 of the Corporations Act.

Resolution 6 is an ordinary resolution and is dependent on Resolution 3 being passed.

### 8.2 Listing Rule 10.14

Listing Rule 10.14 provides that a company must not issue, under an employee incentive scheme, Equity Securities to:

- (a) a director of the Company;
- (b) an Associate of a director of the Company;
- (c) a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by the Shareholders,

unless the issue has been approved by the holders of ordinary securities.

The Performance Rights to be issued to each of the Directors fall within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

If Resolution 6 is passed, the Company will be able to proceed with the issue of the Performance Rights the subject of that Resolution.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Performance Rights the subject of that Resolution. This will impact the Company's ability to recognise and reward the relevant Director and align his remuneration arrangements in the best long-term interests of shareholders. In these circumstances, the Company will need to consider alternative remuneration arrangements including higher cash components of the remuneration for that Director.

### 8.3 Listing Rule 10.15

In compliance with the information requirements of Listing Rule 10.14, Shareholders are

advised of the following information:

(a) Nature of relationship between person to receive securities and the Company  
The Performance Rights will be issued to Filippo (Phil) Giglia (or his nominees) who falls within the category set out in Listing Rule 10.14.1, as each is a related party of the Company by virtue of being a Director.

(b) Number of securities that may be acquired pursuant to the Resolutions  
The number of Performance Rights to be issued is as follows:

(i) Resolution 6 – 10,000,000 Class B Performance Rights

(c) Directors' current total remuneration package

Details of the proposed remuneration of the Directors, including their related entities, for the financial year ending 30 June 2025, is as follows:

Director	Salary and Fees (incl super)	Share based payments	Performance Rights <sup>1</sup>	Total Remuneration
Mr Filippo (Phil) Giglia	\$37,630 <sup>2</sup>	\$42,370 <sup>3</sup>	\$619	\$80,619

**Notes:**

- Values of the Performance Rights, which are subject to approval pursuant to Resolution 6 were determined using Binomial Valuation pricing model (refer to Schedule 5).
- Includes fees for Chairman of the Audit Committee services.
- Includes the \$42,370 worth of Director Shares to be issued to Mr Giglia in lieu of cash payment for Directors' fees the subject of Resolution 14.

(d) Previous issues to the Directors under the New Plan

As this is the first time that Shareholder approval is being sought for the adoption of the New Plan under Resolution 6, no Performance Rights have previously been issued under the New Plan.

(e) Material terms of Performance Rights

A summary of the material terms and conditions of the Class B Performance Rights is provided for in Schedule 4 to this Notice.

Details of the value of the Performance Rights is set out at Schedule 5.

(f) Use of Performance Rights

Class B Performance Rights	The Class B Performance Rights will vest on the achievement of performance hurdles (as set out in Schedule 4 to this Notice) and which are revenue based and arrive from sales of the Company's product range.
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The Board believes that the grant of the Performance Rights:

- will align the interests of the Directors with those of the Shareholders;
- 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

Directors; and

(iii) the Company does not consider that there are any opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights on the terms proposed.

(g) Issue date

The Company will issue the Performance Rights under Resolution 6 as soon as possible after the date of the Meeting and in any event within one month of the Meeting.

(h) Issue price

The Performance Rights are to be issued for a nil issue price.

(i) Summary of material terms of the Plan and Eligible Participants

A summary of the material terms of the New Plan is provided for in Schedule 2 to this Notice.

The Board may, in its absolute discretion, invite an “Eligible Person” to participate in the New Plan. An “Eligible Person” means a person that is a “primary participant” (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an associated body corporate and has been determined by the Board to be eligible to participate in the New Plan from time to time.

Details of any securities issued under the New 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.

Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after this Resolution is approved and who are not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.

(j) Loan

No loans have or will be made by the Company in connection with the proposed issue of the Performance Rights.

(k) Voting exclusion statement

A voting exclusion statement for each of Resolution 6 is included in the Notice.

#### 8.4 Section 195(4) of the Corporations Act

Mr Giglia has a material personal interest in the outcome of Resolution 6 in this Notice of Meeting by virtue of the fact that Resolution 6 is concerned with the issue of Performance Rights to Directors.

Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a material personal interest are being considered.

In the absence of Shareholder approval under section 195(4) of the Corporations Act, the Directors may not be able to form a quorum at Board meetings necessary to carry out the terms of these Resolutions.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to determine.

## 8.5 Section 208 of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of “financial benefits” to “related parties” by a public company. Chapter 2E prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- prior shareholder approval is obtained to the giving of the financial benefit.

A “related party” is widely defined under the Corporations Act and includes the directors of a company. As such, the Directors of the Company are related parties of the Company for the purposes of section 208 of the Corporations Act.

A “financial benefit” is construed widely and in determining whether a financial benefit is being given, section 229 of the Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. Section 229 of the Corporations Act includes as an example of a financial benefit, the issuing of securities or the granting of an option to a related party.

The issue of the Performance Rights under each of Resolutions 7, 8, 9 and 10 constitutes the provision of a financial benefit to a related party.

In compliance with the information requirements of section 219 of the Corporations Act, Shareholders are advised of the information below. The Company is not aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by Resolution 6.

(a) Identity of the parties to whom Resolution 6 permits financial benefits to be given  
The Performance Rights are proposed to be issued to Filippo (Phil) Giglia (or his nominees) who is a Director of the Company and, as such, a related party of the Company.

(b) Nature of the financial benefits  
Resolution 6 seeks approval from Shareholders to allow the Company to issue to the Directors the Performance Rights, the material terms of which are set out at Schedules 3 and 4.

The Shares to be issued upon the vesting and exercise of the Performance Rights will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company’s existing Shares and will rank equally in all respects with the Company’s existing Shares. The Company will apply for official quotation of the Shares on ASX.

The issue of Performance Rights are a cost effective and efficient means for the Company to provide incentive to its personnel as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. To enable the Company to secure and retain employees and directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The issue of the Performance Rights is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain significant shareholdings in the Company.

(c) Valuation of financial benefit

The Company has conducted a valuation on the Performance Rights, the details of which are set out at Schedule 5.

(d) Dilution

If the Performance Rights vest and are exercised, the effect will be to dilute the holdings of Shares of other Shareholders. Assuming no options are exercised, the dilutive effect of the Performance Rights on the Company's share capital (based on the number of Shares on issue as at the date of this Notice of Meeting) is as follows:

Scenario	Dilution percentage
If only Performance Rights under Resolution 6 are exercised:	1.67%

(e) Interests of Directors in the Company

The direct and indirect interests of the Directors in securities of the Company as at the date of this Notice of Meeting are:

Name	Shares	Options	Performance Rights <sup>1</sup>
Filippo (Phil) Giglia (and his nominees)	5,069,277	844,880	10,000,000

**Note:**

- The existing Performance Rights were all issued on 16 May 2022 under the Company's current Plan (which was approved by Shareholders on 26 April 2022) and will be cancelled.

(f) Remuneration of Directors

Details of the proposed remuneration of the Directors, including their related entities, for the financial year ending 30 June 2025, is set out in section 6.3(c).

(g) Trading history

The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

	Price	Date
Highest closing price	\$0.007	14 November 2023
Lowest closing price	\$0.003	11 July 2024

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice of Meeting of \$0.004 per Share on 11 October 2024. Corporate governance

The Board acknowledges the grant of the Performance Rights to Mr Giglia as a Directors is contrary to Recommendation 8.2 of the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Board considers that the grant of Performance Rights is reasonable in the circumstances as the proposed issue will further align the interests of Messrs Malone, Giglia and Usher with those of the Shareholders and shall provide appropriate remuneration for these Directors' ongoing commitment and contribution to the Company whilst minimising the expenditure of the Company's



cash resources.

(h) Taxation consequences

There are no taxation consequences for the Company arising from the issue of the Performance Rights (including fringe benefits tax).

**8.6 Board recommendation**

Resolution 6	<p>Mr Giglia declines to make a recommendation to Shareholders with respect to Resolutions 6, due to the fact Mr Giglia has a personal interest in the outcome of this Resolution.</p> <p>Mr Malone and Mr Usher recommend that shareholders vote in favour of this Resolution 6 for the reasons given above.</p>
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**9 Resolutions 7 – Issue of Performance Rights to the Directors**

**9.1 General**

Resolution 7 seeks Shareholder approval to issue the following Performance Rights to the Directors pursuant to the New Plan:

Holder	Class	Number
Stuart Usher (or his nominees)	Class B Performance Rights	2,000,000

The Board has resolved to cancel the following existing Class A Performance Rights and existing Class B Performance Rights granted to the Directors under the Company’s current Plan (which was approved by the Shareholders on 26 April 2022). The cancellation is to be effected without consideration.

The purpose of the Class B Performance Rights is to attract, incentivise and retain suitable key personnel in a cost-effective manner to drive commercialisation growth and align with shareholder values.

Resolutions 7 seeks Shareholder approval in order to comply with the requirements of Listing Rule 10.14 and sections 195(4) and 208 of the Corporations Act.

Resolutions 7 is an ordinary resolution and is dependent on Resolution 3 being passed.

**9.2 Listing Rule 10.14**

Listing Rule 10.14 provides that a company must not issue, under an employee incentive scheme, Equity Securities to:

- (a) a director of the Company;
- (b) an Associate of a director of the Company;
- (c) a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX’s opinion, the acquisition should be approved by the Shareholders,

unless the issue has been approved by the holders of ordinary securities.

The Performance Rights to be issued to each of the Directors fall within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

If Resolution 7 is passed, the Company will be able to proceed with the issue of the Performance Rights the subject of that Resolution.

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of the

Performance Rights the subject of that Resolution. This will impact the Company's ability to recognise and reward the relevant Director and align his remuneration arrangements in the best long-term interests of shareholders. In these circumstances, the Company will need to consider alternative remuneration arrangements including higher cash components of the remuneration for that Director.

### 9.3 Listing Rule 10.15

In compliance with the information requirements of Listing Rule 10.14, Shareholders are advised of the following information:

(a) Nature of relationship between person to receive securities and the Company  
The Performance Rights will be issued to Stuart Usher (or his nominees) who falls within the category set out in Listing Rule 10.14.1, as each is a related party of the Company by virtue of being a Director.

(b) Number of securities that may be acquired pursuant to the Resolutions

The number of Performance Rights to be issued is as follows:

(i) Resolution 7 – 10,000,000 Class B Performance Rights.

(c) Directors' current total remuneration package

Details of the proposed remuneration of the Directors, including their related entities, for the financial year ending 30 June 2025, is as follows:

Director	Salary and Fees (incl super)	Share based payments	Performance Rights <sup>1</sup>	Total Remuneration
Mr Stuart Usher	\$47,630 <sup>2</sup>	\$42,370 <sup>3</sup>	\$124	\$90,124

**Notes:**

- Values of the Performance Rights, which are subject to approval pursuant to Resolution 7 were determined using Binomial Valuation pricing model (refer to Schedule 5).
- Includes fees for Company Secretary services.
- Includes the \$42,370 worth of Director Shares to be issued to Mr Usher in lieu of cash payment for Directors' fees the subject of Resolution 15.

(d) Previous issues to the Directors under the New Plan

As this is the first time that Shareholder approval is being sought for the adoption of the New Plan under Resolution 3, no Performance Rights have previously been issued under the New Plan.

(e) Material terms of Performance Rights

A summary of the material terms and conditions of the Class B Performance Rights is provided for in Schedule 4 to this Notice.

Details of the value of the Performance Rights is set out at Schedule 5.

(f) Use of Performance Rights

Class B Performance Rights	The Class B Performance Rights will vest on the achievement of performance hurdles (as set out in Schedule 4 to this Notice) and which are revenue based
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	and arrive from sales of the Company's product range.
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The Board believes that the grant of the Performance Rights:

- (i) will align the interests of the Directors with those of the Shareholders;
  - (ii) 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 Directors; and
  - (iii) the Company does not consider that there are any opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights on the terms proposed.
- (g) Issue date
- The Company will issue the Performance Rights under Resolution 7 as soon as possible after the date of the Meeting and in any event within one month of the Meeting.
- (h) Issue price
- The Performance Rights are to be issued for a nil issue price.
- (i) Summary of material terms of the Plan and Eligible Participants
- A summary of the material terms of the New Plan is provided for in Schedule 2 to this Notice.
- The Board may, in its absolute discretion, invite an "Eligible Person" to participate in the New Plan. An "Eligible Person" means a person that is a "primary participant" (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an associated body corporate and has been determined by the Board to be eligible to participate in the New Plan from time to time.
- Details of any securities issued under the New 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.
- Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after this Resolution is approved and who are not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.
- (j) Loan
- No loans have or will be made by the Company in connection with the proposed issue of the Performance Rights.
- (k) Voting exclusion statement
- A voting exclusion statement for each of Resolution 7 is included in the Notice.

#### 9.4 Section 195(4) of the Corporations Act

Mr Usher has a material personal interest in the outcome of Resolution 7 in this Notice of Meeting by virtue of the fact that Resolution 7 is concerned with the issue of Performance Rights to Directors.

Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director

holds a material personal interest are being considered.

In the absence of Shareholder approval under section 195(4) of the Corporations Act, the Directors may not be able to form a quorum at Board meetings necessary to carry out the terms of these Resolutions.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to determine.

## 9.5 Section 208 of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of “financial benefits” to “related parties” by a public company. Chapter 2E prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- prior shareholder approval is obtained to the giving of the financial benefit.

A “related party” is widely defined under the Corporations Act and includes the directors of a company. As such, the Directors of the Company are related parties of the Company for the purposes of section 208 of the Corporations Act.

A “financial benefit” is construed widely and in determining whether a financial benefit is being given, section 229 of the Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. Section 229 of the Corporations Act includes as an example of a financial benefit, the issuing of securities or the granting of an option to a related party.

The issue of the Performance Rights under each of Resolution 7 constitutes the provision of a financial benefit to a related party.

In compliance with the information requirements of section 219 of the Corporations Act, Shareholders are advised of the information below. The Company is not aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by Resolution 7.

(a) Identity of the parties to whom Resolution 7 permits financial benefits to be given  
The Performance Rights are proposed to be issued to Stuart Usher (or his nominees) who is a Director of the Company and, as such, a related party of the Company.

(b) Nature of the financial benefits  
Resolution 7 seeks approval from Shareholders to allow the Company to issue to the Directors the Performance Rights, the material terms of which are set out at Schedules 4.

The Shares to be issued upon the vesting and exercise of the Performance Rights will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company’s existing Shares and will rank equally in all respects with the Company’s existing Shares. The Company will apply for official quotation of the Shares on ASX.

The issue of Performance Rights are a cost effective and efficient means for the Company to provide incentive to its personnel as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. To enable the

Company to secure and retain employees and directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The issue of the Performance Rights is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain significant shareholdings in the Company.

(c) Valuation of financial benefit

The Company has conducted a valuation on the Performance Rights, the details of which are set out at Schedule 5.

(d) Dilution

If the Performance Rights vest and are exercised, the effect will be to dilute the holdings of Shares of other Shareholders. Assuming no options are exercised, the dilutive effect of the Performance Rights on the Company's share capital (based on the number of Shares on issue as at the date of this Notice of Meeting) is as follows:

Scenario	Dilution percentage
If only Performance Rights under Resolution 7 are exercised:	0.34%

(e) Interests of Directors in the Company

The direct and indirect interests of the Directors in securities of the Company as at the date of this Notice of Meeting are:

Name	Shares	Options	Performance Rights <sup>1</sup>
Stuart Usher (and his nominees)	Nil	Nil	Nil

**Note:**

- The existing Performance Rights were all issued on 16 May 2022 under the Company's current Plan (which was approved by Shareholders on 26 April 2022) and will be cancelled.

(f) Remuneration of Directors

Details of the proposed remuneration of the Directors, including their related entities, for the financial year ending 30 June 2025, is set out in section 6.3(c).

(g) Trading history

The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

	Price	Date
Highest closing price	\$0.007	14 November 2023
Lowest closing price	\$0.003	11 July 2024

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice of \$0.004 per Share on 11 October 2024.

(h) Corporate governance

The Board acknowledges the grant of the Performance Rights to Mr Usher as a

Directors is contrary to Recommendation 8.2 of the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Board considers that the grant of Performance Rights is reasonable in the circumstances as the proposed issue will further align the interests of Messrs Malone, Giglia and Usher with those of the Shareholders and shall provide appropriate remuneration for these Directors' ongoing commitment and contribution to the Company whilst minimising the expenditure of the Company's cash resources.

(i) Taxation consequences

There are no taxation consequences for the Company arising from the issue of the Performance Rights (including fringe benefits tax).

**9.6 Board recommendation**

Resolution 7	Mr Usher declines to make a recommendation to Shareholders with respect to Resolutions 10, due to the fact Mr Usher has a personal interest in the outcome of this Resolution.  Mr Malone and Mr Giglia recommend that shareholders vote in favour of this Resolution 10 for the reasons given above.
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**10 Resolution 8 – Issue of termination benefits to the Directors**

**10.1 Background**

Resolution 8 seeks Shareholder approval to give the following potential termination benefits to the Directors in connection with the issue of Performance Rights in Resolution 4 50,000,000 Class A Performance Rights to Peter Malone (or his nominees).

Resolution 8 is conditional upon the passing of Resolution 4.

**10.2 Termination Benefits – Sections 200B and 200E of the Corporations Act**

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) on leaving their employment with the Company or any of its related bodies corporate.

Under sections 200B and 200E of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office if the benefit is approved by shareholders or an exemption applies.

The term “benefit” has a wide meaning and may include benefits resulting from the Board exercising certain discretions under the rules of the New Plan, including the discretion to determine the automatic vesting of Performance Rights in certain circumstances following cessation of a participant’s employment with the Company. This includes circumstances where the participant is a “Good Leaver” or ceases employment following a change of control event. Accordingly, Shareholder approval is sought for Mr Malone to be given any such benefit in connection with their retirement from office or cessation of employment with the Company in relation to the Performance Rights the subject of Resolution 4.

If Shareholder approval is given under Resolution 8, the Company will still be required to comply with Listing Rules 10.18 and 10.19, which place restrictions on the circumstances in which termination benefits can be paid and a cap on the value of termination benefits that can be paid to officers of the Company.

The value of the benefit will depend on the number of Performance Rights that may vest pursuant to the New Plan and the market value of the Shares at the time the automatic vesting event occurs.

(a) Details of Termination Benefit

Pursuant to the terms of the New Plan, the Board possesses the discretion to determine that where a participant ceases employment with the Company and is a “Good Leaver”, any Performance Rights that had not vested prior to the participant ceasing employment with the Company will not lapse, as they would otherwise in accordance with the terms of the New Plan. The exercise of this discretion may constitute a “benefit” for the purposes of section 200B of the Corporations Act.

In addition, subject to the exercise of the Board’s discretion, a participant may become entitled to automatic vesting of Performance Rights if there is a change of control event in respect of the Company and as a result the participant ceases their employment with the Company. The exercise of this discretion may also constitute a “benefit” for the purposes of section 200B of the Corporations Act.

The Company is therefore seeking Shareholder approval for the exercise of the Board’s discretion and for the provision of such automatic vesting rights in respect of any current or future participant in the New Plan who:

- (i) ceases their employment with the Company and at the time of ceasing employment with the Company:
  - (A) is a Good Leaver; and
  - (B) holds a managerial or executive office in the Company (or any of its related bodies corporate) or held such an office at any time in the three years prior to their leaving; and
  - (C) holds unvested Performance Rights issued under the New Plan;  
or
- (ii) ceases their employment with the Company by virtue of a change of control event and at the time of the change of control event:
  - (A) held a managerial or executive office in the Company (or any of its related bodies corporate); and
  - (B) held unvested Performance Rights issued under the New Plan.

Provided Shareholder approval is given, the value of these benefits may be disregarded when applying section 200F(2)(b) or section 200G(1)(c) of the Corporations Act (i.e. the approved benefit will not count towards the statutory cap under the legislation) to the relevant employee.

(b) Value of the Termination Benefits

The value of the termination benefits that the Board may give under the New Plan cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company’s Share price at the time of vesting and the number of Performance Rights that vest.

The following additional factors may also affect the value of the benefit:

- (i) the participant’s length of service and the portion of any vesting period

- remaining at the time they cease employment;
- (ii) the status of the performance hurdles/vesting conditions attaching to the Performance Rights at the time the participant's employment ceases; and
  - (iii) the number of unvested Performance Rights that the participant holds at the time they cease employment.

### 10.3 Termination benefits – Listing Rule 10.19

Listing Rule 10.19 provides that without the approval of shareholders, 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 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.

The Company is seeking Shareholder approval for the purposes of Listing Rule 10.19 so that the Performance Rights, the subject of Resolution 5, which are proposed to be issued to Peter Malone (or his nominees), shall not be forfeited by virtue of their resignation.

The value of the termination benefits payable to the Directors, under Resolutions 5, depends on the factors set out above in schedule 5 of the Explanatory Memorandum. It is possible that the provision of the benefits associated with the vesting and exercise of the Performance Rights in the future may exceed 5% of the equity interests of the Company at the relevant time, although it is unlikely.

The effect of the outcome of Resolution 8 is as follows:

Outcome	Effect
Resolutions 4 and 8 are passed	The Company will be able to give termination benefits in connection with the Performance Rights, the subject of Resolution 4, which exceed the 5% threshold to the current Directors in accordance with the rules of the New Plan in connection with any Director ceasing to hold their managerial or executive office.  Each approval will be effective for a period of three years from the date it is passed. This means that each approval will be effective if the Board exercises its discretion under the New Plan and a Director's employment or office ceases during the period of three years after the approval of the relevant Resolution. If considered appropriate, the Board may seek new approval from Shareholders at the expiry of this three-year period.
Resolutions 8 is passed but Resolution 4 is not passed	Resolution 8 will have no effect.
Resolutions 8 is not passed (regardless of the outcome of Resolution 4)	The Company will not be able to give termination benefits to the relevant Director in respect of the Performance Rights the subject of Resolution 4 (as applicable) where those termination benefits exceed the 5% threshold.

### 10.4 Board recommendation

Resolution 8	Mr Malone declines to make a recommendation to Shareholders
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	<p>with respect to Resolution 8, due to the fact Mr Malone has a personal interest in the outcome of these Resolutions.</p> <p>Mr Giglia and Mr Usher recommend that shareholders vote in favour of this Resolution 8 for the reasons given above.</p>
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## 11 Resolution 9 – Issue of termination benefits to the Directors

### 11.1 Background

Resolution 9 seeks Shareholder approval to give the following potential termination benefits to the Directors in connection with the issue of Performance Rights in Resolution 5 50,000,000 Class B Performance Rights to Peter Malone (or his nominees).

Resolution 9 is conditional upon the passing of Resolution 5.

### 11.2 Termination Benefits – Sections 200B and 200E of the Corporations Act

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) on leaving their employment with the Company or any of its related bodies corporate.

Under sections 200B and 200E of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office if the benefit is approved by shareholders or an exemption applies.

The term “benefit” has a wide meaning and may include benefits resulting from the Board exercising certain discretions under the rules of the New Plan, including the discretion to determine the automatic vesting of Performance Rights in certain circumstances following cessation of a participant’s employment with the Company. This includes circumstances where the participant is a “Good Leaver” or ceases employment following a change of control event. Accordingly, Shareholder approval is sought for Mr Malone to be given any such benefit in connection with their retirement from office or cessation of employment with the Company in relation to the Performance Rights the subject of Resolution 5.

If Shareholder approval is given under Resolution 9, the Company will still be required to comply with Listing Rules 10.18 and 10.19, which place restrictions on the circumstances in which termination benefits can be paid and a cap on the value of termination benefits that can be paid to officers of the Company.

The value of the benefit will depend on the number of Performance Rights that may vest pursuant to the New Plan and the market value of the Shares at the time the automatic vesting event occurs.

#### (a) Details of Termination Benefit

Pursuant to the terms of the New Plan, the Board possesses the discretion to determine that where a participant ceases employment with the Company and is a “Good Leaver”, any Performance Rights that had not vested prior to the participant ceasing employment with the Company will not lapse, as they would otherwise in accordance with the terms of the New Plan. The exercise of this discretion may constitute a “benefit” for the purposes of section 200B of the Corporations Act.

In addition, subject to the exercise of the Board’s discretion, a participant may become entitled to automatic vesting of Performance Rights if there is a change of control event in respect of the Company and as a result the participant ceases their employment with the Company. The exercise of this discretion may also constitute

a “benefit” for the purposes of section 200B of the Corporations Act.

The Company is therefore seeking Shareholder approval for the exercise of the Board’s discretion and for the provision of such automatic vesting rights in respect of any current or future participant in the New Plan who:

- (i) ceases their employment with the Company and at the time of ceasing employment with the Company:
  - (A) is a Good Leaver; and
  - (B) holds a managerial or executive office in the Company (or any of its related bodies corporate) or held such an office at any time in the three years prior to their leaving; and
  - (C) holds unvested Performance Rights issued under the New Plan; or
- (ii) ceases their employment with the Company by virtue of a change of control event and at the time of the change of control event:
  - (A) held a managerial or executive office in the Company (or any of its related bodies corporate); and
  - (B) held unvested Performance Rights issued under the New Plan.

Provided Shareholder approval is given, the value of these benefits may be disregarded when applying section 200F(2)(b) or section 200G(1)(c) of the Corporations Act (i.e. the approved benefit will not count towards the statutory cap under the legislation) to the relevant employee.

(b) Value of the Termination Benefits

The value of the termination benefits that the Board may give under the New Plan cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company’s Share price at the time of vesting and the number of Performance Rights that vest.

The following additional factors may also affect the value of the benefit:

- (i) the participant’s length of service and the portion of any vesting period remaining at the time they cease employment;
- (ii) the status of the performance hurdles/vesting conditions attaching to the Performance Rights at the time the participant’s employment ceases; and
- (iii) the number of unvested Performance Rights that the participant holds at the time they cease employment.

### 11.3 Termination benefits – Listing Rule 10.19

Listing Rule 10.19 provides that without the approval of shareholders, 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 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.

The Company is seeking Shareholder approval for the purposes of Listing Rule 10.19 so that the Performance Rights, the subject of Resolution 9, which are proposed to be issued to Peter Malone shall not be forfeited by virtue of his resignation.

The value of the termination benefits payable to the Directors, under Resolution 9 depends on the factors set out above in schedule 5 of the Explanatory Memorandum. It is possible that the provision of the benefits associated with the vesting and exercise of the Performance Rights in the future may exceed 5% of the equity interests of the Company at the relevant time, although it is unlikely.

The effect of the outcome of Resolution 9 is as follows:

Outcome	Effect
Resolution 5 and 9 are passed	The Company will be able to give termination benefits in connection with the Performance Rights, the subject of Resolution 5, which exceed the 5% threshold to the current Directors in accordance with the rules of the New Plan in connection with any Director ceasing to hold their managerial or executive office.  Each approval will be effective for a period of three years from the date it is passed. This means that each approval will be effective if the Board exercises its discretion under the New Plan and a Director's employment or office ceases during the period of three years after the approval of the relevant Resolution. If considered appropriate, the Board may seek new approval from Shareholders at the expiry of this three-year period.
Resolutions 9 is passed but Resolution 5 is not passed	Resolution 9 will have no effect.
Resolution 9 is not passed (regardless of the outcome of Resolution 5)	The Company will not be able to give termination benefits to the relevant Director in respect of the Performance Rights the subject of Resolution 5 where those termination benefits exceed the 5% threshold.

#### 11.4 Board recommendation

Resolution 9	Mr Malone declines to make a recommendation to Shareholders with respect to Resolution 9, due to the fact Mr Malone has a personal interest in the outcome of these Resolutions.  Mr Giglia and Mr Usher recommend that shareholders vote in favour of this Resolution 9 for the reasons given above.
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## 12 Resolutions 10 – Issue of termination benefits to the Directors

### 12.1 Background

Resolution 10 seeks Shareholder approval to give the following potential termination benefits to the Directors in connection with the issue of Performance Rights in Resolution 6 10,000,000 Class B Performance Rights to Filippo (Phil) Giglia

Resolution 10 is conditional upon the passing of Resolution 6.

### 12.2 Termination Benefits – Sections 200B and 200E of the Corporations Act

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) on leaving their

employment with the Company or any of its related bodies corporate.

Under sections 200B and 200E of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office if the benefit is approved by shareholders or an exemption applies.

The term “benefit” has a wide meaning and may include benefits resulting from the Board exercising certain discretions under the rules of the New Plan, including the discretion to determine the automatic vesting of Performance Rights in certain circumstances following cessation of a participant’s employment with the Company. This includes circumstances where the participant is a “Good Leaver” or ceases employment following a change of control event. Accordingly, Shareholder approval is sought for Mr Giglia to be given any such benefit in connection with their retirement from office or cessation of employment with the Company in relation to the Performance Rights the subject of Resolution 6.

If Shareholder approval is given under Resolution 10, the Company will still be required to comply with Listing Rules 10.18 and 10.19, which place restrictions on the circumstances in which termination benefits can be paid and a cap on the value of termination benefits that can be paid to officers of the Company.

The value of the benefit will depend on the number of Performance Rights that may vest pursuant to the New Plan and the market value of the Shares at the time the automatic vesting event occurs.

(a) Details of Termination Benefit

Pursuant to the terms of the New Plan, the Board possesses the discretion to determine that where a participant ceases employment with the Company and is a “Good Leaver”, any Performance Rights that had not vested prior to the participant ceasing employment with the Company will not lapse, as they would otherwise in accordance with the terms of the New Plan. The exercise of this discretion may constitute a “benefit” for the purposes of section 200B of the Corporations Act.

In addition, subject to the exercise of the Board’s discretion, a participant may become entitled to automatic vesting of Performance Rights if there is a change of control event in respect of the Company and as a result the participant ceases their employment with the Company. The exercise of this discretion may also constitute a “benefit” for the purposes of section 200B of the Corporations Act.

The Company is therefore seeking Shareholder approval for the exercise of the Board’s discretion and for the provision of such automatic vesting rights in respect of any current or future participant in the New Plan who:

- (i) ceases their employment with the Company and at the time of ceasing employment with the Company:
  - (A) is a Good Leaver; and
  - (B) holds a managerial or executive office in the Company (or any of its related bodies corporate) or held such an office at any time in the three years prior to their leaving; and
  - (C) holds unvested Performance Rights issued under the New Plan;  
or
- (ii) ceases their employment with the Company by virtue of a change of control event and at the time of the change of control event:

- (A) held a managerial or executive office in the Company (or any of its related bodies corporate); and
- (B) held unvested Performance Rights issued under the New Plan.

Provided Shareholder approval is given, the value of these benefits may be disregarded when applying section 200F(2)(b) or section 200G(1)(c) of the Corporations Act (i.e. the approved benefit will not count towards the statutory cap under the legislation) to the relevant employee.

(b) Value of the Termination Benefits

The value of the termination benefits that the Board may give under the New Plan cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company’s Share price at the time of vesting and the number of Performance Rights that vest.

The following additional factors may also affect the value of the benefit:

- (i) the participant’s length of service and the portion of any vesting period remaining at the time they cease employment;
- (ii) the status of the performance hurdles/vesting conditions attaching to the Performance Rights at the time the participant’s employment ceases; and
- (iii) the number of unvested Performance Rights that the participant holds at the time they cease employment.

**12.3 Termination benefits – Listing Rule 10.19**

Listing Rule 10.19 provides that without the approval of shareholders, 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 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.

The Company is seeking Shareholder approval for the purposes of Listing Rule 10.19 so that the Performance Rights, the subject of Resolutions 6, which are proposed to be issued to Peter Malone, Phil Giglia and Stuart Usher (as applicable), shall not be forfeited by virtue of their resignation.

The value of the termination benefits payable to the Directors, under Resolutions 7, 8, 9 and 10, depends on the factors set out above in schedule 5 of the Explanatory Memorandum. It is possible that the provision of the benefits associated with the vesting and exercise of the Performance Rights in the future may exceed 5% of the equity interests of the Company at the relevant time, although it is unlikely.

The effect of the outcome of Resolution 10 is as follows:

Outcome	Effect
Resolutions 6 and 10 are passed	<p>The Company will be able to give termination benefits in connection with the Performance Rights, the subject of Resolution 6, which exceed the 5% threshold to the current Directors in accordance with the rules of the New Plan in connection with any Director ceasing to hold their managerial or executive office.</p> <p>Each approval will be effective for a period of three years from the date it is passed. This means that each approval will be effective if</p>

	the Board exercises its discretion under the New Plan and a Director's employment or office ceases during the period of three years after the approval of the relevant Resolution. If considered appropriate, the Board may seek new approval from Shareholders at the expiry of this three-year period.
Resolution 10 is passed but Resolution 6 is not passed	Resolution 10 will have no effect.
Resolution 10 is not passed (regardless of the outcome of Resolution 6)	The Company will not be able to give termination benefits to the relevant Director in respect of the Performance Rights the subject of Resolution 6 where those termination benefits exceed the 5% threshold.

#### 12.4 Board recommendation

Resolution 10	<p>Mr Giglia declines to make a recommendation to Shareholders with respect to Resolutions 10, due to the fact Mr Giglia has a personal interest in the outcome of this Resolution.</p> <p>Mr Malone and Mr Usher recommend that shareholders vote in favour of this Resolution 10 for the reasons given above.</p>
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### 13 Resolutions 11 – Issue of termination benefits to the Directors

#### 13.1 Background

Resolutions 11 seek Shareholder approval to give the following potential termination benefits to the Directors in connection with the issue of Performance Rights in Resolution 7 2,000,000 Class B Performance Rights to Stuart Usher (or his nominees).

Resolutions 11 is conditional upon the passing of Resolution 7.

#### 13.2 Termination Benefits – Sections 200B and 200E of the Corporations Act

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) on leaving their employment with the Company or any of its related bodies corporate.

Under sections 200B and 200E of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office if the benefit is approved by shareholders or an exemption applies.

The term “benefit” has a wide meaning and may include benefits resulting from the Board exercising certain discretions under the rules of the New Plan, including the discretion to determine the automatic vesting of Performance Rights in certain circumstances following cessation of a participant's employment with the Company. This includes circumstances where the participant is a “Good Leaver” or ceases employment following a change of control event. Accordingly, Shareholder approval is sought for Mr Usher to be given any such benefit in connection with their retirement from office or cessation of employment with the Company in relation to the Performance Rights the subject of Resolution 7.

If Shareholder approval is given under Resolution 11, the Company will still be required to comply with Listing Rules 10.18 and 10.19, which place restrictions on the circumstances in which termination benefits can be paid and a cap on the value of termination benefits that

can be paid to officers of the Company.

The value of the benefit will depend on the number of Performance Rights that may vest pursuant to the New Plan and the market value of the Shares at the time the automatic vesting event occurs.

(a) Details of Termination Benefit

Pursuant to the terms of the New Plan, the Board possesses the discretion to determine that where a participant ceases employment with the Company and is a “Good Leaver”, any Performance Rights that had not vested prior to the participant ceasing employment with the Company will not lapse, as they would otherwise in accordance with the terms of the New Plan. The exercise of this discretion may constitute a “benefit” for the purposes of section 200B of the Corporations Act.

In addition, subject to the exercise of the Board’s discretion, a participant may become entitled to automatic vesting of Performance Rights if there is a change of control event in respect of the Company and as a result the participant ceases their employment with the Company. The exercise of this discretion may also constitute a “benefit” for the purposes of section 200B of the Corporations Act.

The Company is therefore seeking Shareholder approval for the exercise of the Board’s discretion and for the provision of such automatic vesting rights in respect of any current or future participant in the New Plan who:

- (i) ceases their employment with the Company and at the time of ceasing employment with the Company:
  - (A) is a Good Leaver; and
  - (B) holds a managerial or executive office in the Company (or any of its related bodies corporate) or held such an office at any time in the three years prior to their leaving; and
  - (C) holds unvested Performance Rights issued under the New Plan;  
or
- (ii) ceases their employment with the Company by virtue of a change of control event and at the time of the change of control event:
  - (A) held a managerial or executive office in the Company (or any of its related bodies corporate); and
  - (B) held unvested Performance Rights issued under the New Plan.

Provided Shareholder approval is given, the value of these benefits may be disregarded when applying section 200F(2)(b) or section 200G(1)(c) of the Corporations Act (i.e. the approved benefit will not count towards the statutory cap under the legislation) to the relevant employee.

(b) Value of the Termination Benefits

The value of the termination benefits that the Board may give under the New Plan cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company’s Share price at the time of vesting and the number of Performance Rights that vest.

The following additional factors may also affect the value of the benefit:

- (i) the participant's length of service and the portion of any vesting period remaining at the time they cease employment;
- (ii) the status of the performance hurdles/vesting conditions attaching to the Performance Rights at the time the participant's employment ceases; and
- (iii) the number of unvested Performance Rights that the participant holds at the time they cease employment.

### 13.3 Termination benefits – Listing Rule 10.19

Listing Rule 10.19 provides that without the approval of shareholders, 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 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.

The Company is seeking Shareholder approval for the purposes of Listing Rule 10.19 so that the Performance Rights, the subject of Resolution 11, which are proposed to be issued to Stuart Usher (as applicable), shall not be forfeited by virtue of their resignation.

The value of the termination benefits payable to the Directors, under Resolution 11, depends on the factors set out above in schedule 5 of the Explanatory Memorandum. It is possible that the provision of the benefits associated with the vesting and exercise of the Performance Rights in the future may exceed 5% of the equity interests of the Company at the relevant time, although it is unlikely.

The effect of the outcome of Resolutions 11 is as follows:

Outcome	Effect
Resolutions 7 and 11 are passed	The Company will be able to give termination benefits in connection with the Performance Rights, the subject of Resolution 7, which exceed the 5% threshold to the current Directors in accordance with the rules of the New Plan in connection with any Director ceasing to hold their managerial or executive office.  Each approval will be effective for a period of three years from the date it is passed. This means that each approval will be effective if the Board exercises its discretion under the New Plan and a Director's employment or office ceases during the period of three years after the approval of the relevant Resolution. If considered appropriate, the Board may seek new approval from Shareholders at the expiry of this three-year period.
Resolution 11 is passed but Resolution 7 is not passed	Resolution 11 will have no effect.
Resolution 11 is not passed (regardless of the outcome of Resolutions 7)	The Company will not be able to give termination benefits to the relevant Director in respect of the Performance Rights the subject of Resolution 7 where those termination benefits exceed the 5% threshold.



## 13.4 Board recommendation

Resolution 11	<p>Mr Usher declines to make a recommendation to Shareholders with respect to Resolution 11, due to the fact Mr Usher has a personal interest in the outcome of this Resolution</p> <p>Mr Malone and Mr Giglia recommend that shareholders vote in favour of this Resolution 11 for the reasons given above</p>
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## 14 Resolution 12 – Approval of 10% Placement Facility

### 14.1 General

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

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation, as at 13 August 2024, of \$2.35 million.

The Company is seeking Shareholder approval to issue Equity Securities under the 10% Placement Facility. The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 14.2(c) below).

If Resolution 12 is passed, the Company will be able to issue Equity Securities under Listing Rule 7.1A up to 10% of its issued share capital over a 12 month period after the annual general meeting, in addition to the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 12 is not passed, the Company will not be able to access the 10% Placement Facility to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval under Listing Rule 7.1.

Resolution 12 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chairperson intends to exercise all available proxies in favour of Resolution 12.

### 14.2 Listing Rule 7.1A

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period following shareholder approval by way of a special resolution. The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

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

- (a) Shareholder approval  
The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.
- (b) Equity Securities  
Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.  
The Company, as at the date of the Notice, has on issue one quoted classes of Equity Securities being SKN ordinary fully paid shares.
- (c) Formula for calculating 10% Placement Facility
- (d) Maximum number of Equity Securities which may be issued

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

$$(A \times D) - E$$

Where:

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

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that become fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity’s 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

“D” is 10%

“E” is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

The actual number of Equity Securities that may be issued under Listing Rule 7.1A is calculated at the date of issue of the Equity Securities in accordance with the above formula.

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

As the date of this Notice, the Company has on issue the following quoted securities:

- (i) 589,00,000 Shares; and
- (ii) 133,351,198 Listed Options.

As a result, the Company has a capacity to issue:

- (i) 88,422,914 Equity Securities under Listing Rule 7.1; and
  - (ii) subject to Shareholders approving Resolution 6, 58,948,610 Equity Securities under Listing Rule 7.1A.
- (e) **Relevant Period**
- The relevant period will commence on the first to occur of the following:
- (i) the date that is 12 months after the date of this Meeting;
  - (ii) the time and date of the Company's next annual general meeting; and
  - (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking),
- (the **10% Placement Period**).
- (f) **Listing Rule 7.1 and Listing Rule 7.1A**
- The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.
- (g) **Minimum Issue Price**
- The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:
- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

### 14.3 **Effect of Resolution**

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

### 14.4 **Specific information required by Listing Rule 7.3A**

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

- (a) Shareholder approval will be valid during the 10% Placement Period as detailed in section 14.4.
- (b) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) If this Resolution is approved by the Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk

that:

- (i) the market price for the Company’s Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company’s Equity Securities on the issue date of the Equity Securities,

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

- (d) The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable ‘A’ calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of the Notice.
- (e) The table also shows:
  - (i) two examples where variable ‘A’ has increased, by 50% and 100%. Variable ‘A’ is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders’ meeting; and
  - (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price as at 11 October 2024.

Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Dilution		
			Issue Price		
			\$0.003	\$0.005	\$0.008
			50% decrease	Issue Price	50% increase
				Funds Raised	
<b>Current</b>	589,486,095	58,948,610	\$117,897	\$235,794	\$353,692
<b>50% increase</b>	884,229,143	88,422,914	\$176,846	\$353,692	\$530,537
<b>100% increase</b>	1,178,972,190	117,897,219	\$235,794	\$471,589	\$707,383

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) 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%.
- (iii) 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.

- (iv) 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.
- (v) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.

The issue price is \$0.004 being the closing price of the Shares on ASX on 11 October 2024.

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.

- (f) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 11 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (g) The Company may only issue the Equity Securities for cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition) and/or general working capital.
- (h) The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.3 upon issue of any Equity Securities.
- (i) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the subscribers of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
  - (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
  - (ii) the effect of the issue of the Equity Securities on the control of the Company;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from corporate, financial and broking advisers (if applicable).
  - (v) The subscribers under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.
- (j) The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 29 June 2023. In the 12 months preceding the date of this Meeting, the Company issued 20,000,000 Equity Securities under Listing Rule 7.1A.2 and this represents 6.8% of the total number of Equity Securities on issue at the commencement of that 12-month period. The Company has not issued any Equity Securities during the 12 months preceding the date of this Meeting.
- (k) A voting exclusion statement is included in the Notice for Resolution 12. However as at the date of this Notice, the Company has not invited any existing Shareholder

to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on this Resolution.

#### 14.5 Director Recommendation

The Directors recommend that Shareholders vote in favour of this Resolution 12.

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### 15 Resolution 13 – Issue of Shares to related parties - Directors

#### 15.1 General

Resolution 13 seeks Shareholder approval to issue the following Shares at a deemed issue price of \$0.003 per Share to the Directors in lieu of unpaid director fees (**Director Shares**):

Directors	Number of Share	Unpaid director fees
Peter Malone (or his nominees)	56,620,000	\$169,860

If Resolution 13 is passed, the Company will be able to proceed with the issue of these Director Shares to the relevant Director in lieu of unpaid director fees.

If Resolution 13 is not passed, the Company will not be able to issue the Director Shares to the relevant Director, in lieu of their outstanding Fees for the relevant period. Accordingly, the Company will be required to pay the outstanding liability to that Director.

#### 15.2 Chapter 2E of 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.

Mr Peter Malone is a related party of the Company under section 228(1) of the Corporations Act by virtue of being a Director.

The issue of the Director Shares constitutes giving a financial benefit.

The Directors (other than Mr Malone who has a material personal interest in Resolution 13 consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 13 because the conversion of Mr Malone’s Fees to Shares is considered reasonable remuneration in the circumstances.

#### Section 195(4) of the Corporations Act

Section 195 of the Corporations Act provides that a Director of a public company may not vote or be present during meetings of Directors when matters in which that Director holds a “material personal interest” are being considered, except in certain limited circumstances. Section 195(4) relevantly provides that if there are not enough Directors to form a quorum for a Directors meeting because of this restriction, one or more of the Directors may call a general meeting and the general meeting may pass a resolution to deal with the matter.

It might be argued (but it is neither conceded nor, indeed, is it thought by the Board to be the case) that all Directors comprising the Board have a material personal interest in the outcome of Resolutions 13, 14 and 15. If each does have such an interest, then a quorum could not be formed to consider the matters contemplated by Resolutions 13, 14 and 15 at Board level.

Accordingly, for the avoidance of any doubt, and for the purpose of transparency and best practice corporate governance, the Company also seeks Shareholder approval for Resolutions 13, 14 and 15 for the purposes of section 195(4) of the Corporations Act in respect of the reliance on the arm's length exception and the decision not to seek Shareholder approval under Chapter 2E of the Corporations Act.

### 15.3 ASX Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue, or agree to issue, Equity Securities to:

- (a) a related party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the last 6 months before the issue or agreement, a substantial (30%+) holder in the company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- (d) an Associate of a person referred to in Listing Rule 10.11.1-10.11.3 (Listing Rule 10.11.4); or
- (e) a person whose relationship with the company or a person referred to in Listing Rule 10.11.1-10.11.3 is such that, in ASX's opinion, the issue or agreement should be approved by shareholders (Listing Rule 10.11.5),

unless it obtains the approval of its shareholders.

The issue of the Director Shares falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. The Company therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 13 seeks Shareholder approval for the Director Issue under and for the purposes of Listing Rule 10.11. As Shareholder approval is being sought under Listing Rule 10.11, approval is not also required under Listing Rule 7.1 (as a result of Exception 14 in Listing Rule 7.2).

The Director Shares, for which approval is being sought, if issued under Resolution 13, will comprise [8.76]% of the Company's issued capital as at the date of this Notice of Meeting.

### 15.4 Technical information required by Listing Rule 10.11

In compliance with the information requirements of Listing Rule 10.13, the following information is provided in relation to Resolutions 16, 17 and 18.

- (a) Name of person to receive securities  
The Director Shares will be issued to Peter Malone (or his nominees).
- (b) Nature of relationship between person to receive securities and the Company  
Peter Malone is a related party of the Company by virtue of being a Director of the Company and is accordingly captured under Listing Rule 10.11.1.
- (c) Maximum number and class of securities to be issued  
The number of Director Shares to be issued is 56,620,000 ordinary fully paid shares.
- (d) Material terms of the Securities  
The Director Shares to be issued will be fully paid ordinary shares in the capital of

the Company which rank equally with the Company's existing Shares.

- (e) **Date of issue**  
The Director Shares will be issued on a date that will be no later than one (1) month after the date of this Meeting, or such later date as approved by ASX.
- (f) **Issue price**  
The Director Shares will be issued for nil cash consideration at the deemed issue price of \$0.003 per Share.
- (g) **Purpose of the issue, including intended use of the funds raised**  
No funds will be raised from the issue of the Director Shares as the Director Shares to be issued under Resolutions 16, 17 and 18 are being issued in lieu of Directors' fees.
- (h) **Remuneration package of related parties**  
Details of the current remuneration package for Mr Malone set out in the 2023 Annual Report.  
The Company has agreed, subject to Shareholder approval, to pay Mr Malone outstanding annual remuneration in Shares (rather than cash) as detailed above.
- (i) **Relevant agreement**  
The Director Shares will not be issued under an agreement.
- (j) **Voting exclusion statement**  
A voting exclusion statement has been included in the Notice for Resolution 13. Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on Resolution 13.

**15.5 Board Recommendations**

Resolution 13	Mr Malone declines to make a recommendation about Resolution 13 as he has a material personal interest in the outcome of Resolution 13 as it relates to the proposed issue of Shares to him (or his nominee).  Mr Giglia and Mr Usher recommend that Shareholders vote in favour of Resolution 13.
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**16 Resolution 14 – Issue of Shares to related parties - Directors**

**16.1 General**

Resolution 14 seeks Shareholder approval to issue the following Shares at a deemed issue price of \$0.003 per Share to the Directors in lieu of unpaid director fees (**Director Shares**):

Directors	Number of Share	Unpaid director fees
Filippo (Phil) Giglia (or his nominees)	14,123,333	\$42,370

If Resolution 14 is passed, the Company will be able to proceed with the issue of these Director Shares to the relevant Director in lieu of unpaid director fees.

If Resolution 14 is not passed, the Company will not be able to issue the Director Shares to the relevant Director, in lieu of their outstanding Fees for the relevant period. Accordingly, the Company will be required to pay the outstanding liability to that Director.



## 16.2 Chapter 2E of 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.

Mr Filippo (Phil) Giglia is a related party of the Company under section 228(1) of the Corporations Act by virtue of being a Director.

The issue of the Director Shares constitutes giving a financial benefit.

The Directors (other than Mr Giglia who has a material personal interest in Resolution 14 consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 14 because the conversion of Mr Giglia's Fees to Shares is considered reasonable remuneration in the circumstances.

### Section 195(4) of the Corporations Act

Section 195 of the Corporations Act provides that a Director of a public company may not vote or be present during meetings of Directors when matters in which that Director holds a "material personal interest" are being considered, except in certain limited circumstances. Section 195(4) relevantly provides that if there are not enough Directors to form a quorum for a Directors meeting because of this restriction, one or more of the Directors may call a general meeting and the general meeting may pass a resolution to deal with the matter.

It might be argued (but it is neither conceded nor, indeed, is it thought by the Board to be the case) that all Directors comprising the Board have a material personal interest in the outcome of Resolutions 13, 14 and 15. If each does have such an interest, then a quorum could not be formed to consider the matters contemplated by Resolutions 13, 14 and 15 at Board level.

Accordingly, for the avoidance of any doubt, and for the purpose of transparency and best practice corporate governance, the Company also seeks Shareholder approval for Resolutions 13, 14 and 15 for the purposes of section 195(4) of the Corporations Act in respect of the reliance on the arm's length exception and the decision not to seek Shareholder approval under Chapter 2E of the Corporations Act.

## 16.3 ASX Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue, or agree to issue, Equity Securities to:

- (a) a related party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the last 6 months before the issue or agreement, a substantial (30%+) holder in the company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- (d) an Associate of a person referred to in Listing Rule 10.11.1-10.11.3 (Listing Rule 10.11.4); or

- (e) a person whose relationship with the company or a person referred to in Listing Rule 10.11.1-10.11.3 is such that, in ASX's opinion, the issue or agreement should be approved by shareholders (Listing Rule 10.11.5),

unless it obtains the approval of its shareholders.

The issue of the Director Shares falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. The Company therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 14 seeks Shareholder approval for the Director Issue under and for the purposes of Listing Rule 10.11. As Shareholder approval is being sought under Listing Rule 10.11, approval is not also required under Listing Rule 7.1 (as a result of Exception 14 in Listing Rule 7.2).

The Director Shares, for which approval is being sought, if issued under Resolution 14, comprise [2.34]% of the Company's issued capital as at the date of this Notice of Meeting.

#### 16.4 Technical information required by Listing Rule 10.11

In compliance with the information requirements of Listing Rule 10.13, the following information is provided in relation to Resolution 14.

- (a) Name of person to receive securities  
The Director Shares will be issued to Filippo (Phil) Giglia (or his nominees).
- (b) Nature of relationship between person to receive securities and the Company  
Filippo (Phil) Giglia is a related parties of the Company by virtue of being a Director of the Company and is accordingly captured under Listing Rule 10.11.1.
- (c) Maximum number and class of securities to be issued  
The number of Director Shares to be issued is 14,123,333 ordinary fully paid shares.
- (d) Material terms of the Securities  
The Director Shares to be issued will be fully paid ordinary shares in the capital of the Company which rank equally with the Company's existing Shares.
- (e) Date of issue  
The Director Shares will be issued on a date that will be no later than one (1) month after the date of this Meeting, or such later date as approved by ASX.
- (f) Issue price  
The Director Shares will be issued for nil cash consideration at the deemed issue price of \$0.003 per Share.
- (g) Purpose of the issue, including intended use of the funds raised  
No funds will be raised from the issue of the Director Shares as the Director Shares to be issued under Resolutions 16, 17 and 18 are being issued in lieu of Directors' fees.
- (h) Remuneration package of related parties  
Details of the current remuneration package for Mr Giglia set out in the 2023 Annual Report.  
The Company has agreed, subject to Shareholder approval, to pay Mr Giglia outstanding annual remuneration in Shares (rather than cash) as detailed above.

- (i) Relevant agreement  
The Director Shares will not be issued under an agreement.
- (j) Voting exclusion statement  
A voting exclusion statement has been included in the Notice for each of Resolution 14. Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on Resolution 14.

**16.5 Board Recommendations**

Resolution 14	Mr Giglia declines to make a recommendation about Resolution 14 as he has a material personal interest in the outcome of Resolution 14 as it relates to the proposed issue of Shares to him (or his nominee).  Mr Malone and Mr Usher recommend that Shareholders vote in favour of Resolution 14.
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**17 Resolution 15 – Issue of Shares to related parties - Directors**

**17.1 General**

Resolution 15 seeks Shareholder approval to issue the following Shares at a deemed issue price of \$0.003 per Share to the Directors in lieu of unpaid director fees (**Director Shares**):

Directors	Number of Share	Unpaid director fees
Stuart Usher (or his nominees)	14,123,333	\$42,370

If Resolution 15 is passed, the Company will be able to proceed with the issue of these Director Shares to the relevant Director in lieu of unpaid director fees.

If Resolution 15 is not passed, the Company will not be able to issue the Director Shares to the relevant Director, in lieu of their outstanding Fees for the relevant period. Accordingly, the Company will be required to pay the outstanding liability to that Director.

**17.2 Chapter 2E of 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.

Mr Stuart Usher is a related party of the Company under section 228(1) of the Corporations Act by virtue of being a Director.

The issue of the Director Shares constitutes giving a financial benefit.

The Directors (other than Mr Usher who has a material personal interest in Resolution 15 consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 15 because the conversion of Mr Usher’s Fees to Shares is considered reasonable remuneration in the circumstances.

**Section 195(4) of the Corporations Act**

Section 195 of the Corporations Act provides that a Director of a public company may not

vote or be present during meetings of Directors when matters in which that Director holds a “material personal interest” are being considered, except in certain limited circumstances. Section 195(4) relevantly provides that if there are not enough Directors to form a quorum for a Directors meeting because of this restriction, one or more of the Directors may call a general meeting and the general meeting may pass a resolution to deal with the matter.

It might be argued (but it is neither conceded nor, indeed, is it thought by the Board to be the case) that all Directors comprising the Board have a material personal interest in the outcome of Resolutions 13, 14 and 15. If each does have such an interest, then a quorum could not be formed to consider the matters contemplated by Resolutions 13, 14 and 15 at Board level.

Accordingly, for the avoidance of any doubt, and for the purpose of transparency and best practice corporate governance, the Company also seeks Shareholder approval for Resolutions 13, 14 and 15 for the purposes of section 195(4) of the Corporations Act in respect of the reliance on the arm’s length exception and the decision not to seek Shareholder approval under Chapter 2E of the Corporations Act.

### **17.3 ASX Listing Rule 10.11**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue, or agree to issue, Equity Securities to:

- (a) a related party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the last 6 months before the issue or agreement, a substantial (30%+) holder in the company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- (d) an Associate of a person referred to in Listing Rule 10.11.1-10.11.3 (Listing Rule 10.11.4); or
- (e) a person whose relationship with the company or a person referred to in Listing Rule 10.11.1-10.11.3 is such that, in ASX’s opinion, the issue or agreement should be approved by shareholders (Listing Rule 10.11.5),

unless it obtains the approval of its shareholders.

The issue of the Director Shares falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. The Company therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 15 seeks Shareholder approval for the Director Issue under and for the purposes of Listing Rule 10.11. As Shareholder approval is being sought under Listing Rule 10.11, approval is not also required under Listing Rule 7.1 (as a result of Exception 14 in Listing Rule 7.2).

The Director Shares, for which approval is being sought, if issued under Resolution 15, comprise [2.34]% of the Company’s issued capital as at the date of this Notice of Meeting.

### **17.4 Technical information required by Listing Rule 10.11**

In compliance with the information requirements of Listing Rule 10.13, the following information is provided in relation to Resolution 15.

- (a) Name of person to receive securities

The Director Shares will be issued to Stuart Usher (or his nominees).

- (b) Nature of relationship between person to receive securities and the Company  
Stuart Usher is a related party of the Company by virtue of being a Director of the Company and is accordingly captured under Listing Rule 10.11.1.
- (c) Maximum number and class of securities to be issued  
The number of Director Shares to be issued is 14,123,333 ordinary fully paid.
- (d) Material terms of the Securities  
The Director Shares to be issued will be fully paid ordinary shares in the capital of the Company which rank equally with the Company's existing Shares.
- (e) Date of issue  
The Director Shares will be issued on a date that will be no later than one (1) month after the date of this Meeting, or such later date as approved by ASX.
- (f) Issue price  
The Director Shares will be issued for nil cash consideration at the deemed issue price of \$0.003 per Share.
- (g) Purpose of the issue, including intended use of the funds raised  
No funds will be raised from the issue of the Director Shares as the Director Shares to be issued under Resolution 15 are being issued in lieu of Directors' fees.
- (h) Remuneration package of related parties  
Details of the current remuneration package for Mr Usher set out in the 2023 Annual Report.  
The Company has agreed, subject to Shareholder approval, to pay Mr Usher outstanding annual remuneration in Shares (rather than cash) as detailed above.
- (i) Relevant agreement  
The Director Shares will not be issued under an agreement.
- (j) Voting exclusion statement  
A voting exclusion statement has been included in the Notice for each of Resolution 15. Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on Resolution 15.

**17.5 Board Recommendations**

Resolution 15	Mr Usher declines to make a recommendation about Resolution 15 as he has a material personal interest in the outcome of Resolution 15 as it relates to the proposed issue of Shares to him (or his nominee).  Mr Malone and Mr Giglia recommend that Shareholders vote in favour of Resolutions 15.
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**18 Resolutions 16 – Issue of Shares**

**18.1 General**

The Company is proposing, subject to Shareholder approval for the purposes of Listing Rule 7.1, to issue the following Shares at a deemed issue price of \$0.003 per Share (**Employee**

Shares), as consideration for services provided to the Company:

Employee	Number of Employee Shares
Leo Fung (or his nominees)	36,733,333

If Resolutions 16 is passed, the Company will be able to proceed with the issue of the Employee Shares on the terms set out in this Explanatory Memorandum.

If Resolutions 16 is not passed, the Company may still proceed with the issue of the Employee Shares, but the issue will use up part of the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Employee Shares.

## 18.2 Regulatory requirements

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

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

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, under Resolutions 16 the Company seeks from Shareholders approval for the issue of the Employee Shares to Mr Fung.

## 18.3 Technical information required by Listing Rule 7.3

In compliance with the information requirements of Listing Rule 7.3, Shareholders are advised of the following information:

- (a) Identity of the persons to whom securities are to be issued  
The Company proposes to issue Employee Shares to Mr Leo Fung (or his nominee)  
Mr Fung (Chief Technical Officer) is a member of the Key Management Personnel and, as it is proposed to issue more than 1% of the Company's current issued capital, is considered to be material investors in the Company.
- (b) Maximum number and class of securities to be issued  
The Company proposes to issue 36,733,333 Shares, amounting to approximately \$110,200 worth of Shares the Employee Shares  
Mr Fung (Chief Technical Officer) is a member of the Key Management Personnel and, as it is proposed to issue more than 1% of the Company's current issued capital, is considered to be material investors in the Company.
- (c) Material terms of the securities  
The Employee Shares to be issued will be fully paid ordinary shares in the capital of the Company which rank equally with the Company's existing Shares.
- (d) Issue date

The Employee Shares will be issued on one date which will be no later than three (3) months after the date of this Meeting, or such later date as approved by ASX.

(e) Issue price

The Employee Shares will be issued for nil cash consideration at the deemed issue price of \$0.003 per Share.

(f) Purpose of the issue

The Employee Shares will be issued in lieu of outstanding fees payable to Mr Fung.

(g) Relevant agreement

The Employee Shares will not be issued under an agreement.

(h) Voting exclusion statement

A voting exclusion statement has been included in the Notice for Resolution 16. Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on Resolution 16.

#### 18.4 Board recommendations

The Board recommends that Shareholders vote in favour of Resolution 16.

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### 19 Resolution 17 – Issue of Shares

#### 19.1 General

The Company is proposing, subject to Shareholder approval for the purposes of Listing Rule 7.1, to issue the following Shares at a deemed issue price of \$0.003 per Share (**Employee Shares**), as consideration for services provided to the Company:

Employee	Number of Employee Shares
Craig Piercy (or his nominees)	36,733,333

If Resolution 17 is passed, the Company will be able to proceed with the issue of the Employee Shares on the terms set out in this Explanatory Memorandum.

If Resolution 17 is not passed, the Company may still proceed with the issue of the Employee Shares, but the issue will use up part of the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Employee Shares.

#### 19.2 Regulatory requirements

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

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

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues

under Listing Rule 7.1. Accordingly, under Resolution 17 the Company seeks from Shareholders approval for the issue of the Employee Shares to Mr Piercy.

### **19.3 Technical information required by Listing Rule 7.3**

In compliance with the information requirements of Listing Rule 7.3, Shareholders are advised of the following information:

- (a) Identity of the persons to whom securities are to be issued  
The Company proposes to issue Employee Shares to Mr Craig Piercy (or his nominee)  
Mr Piercy (Chief Financial Officer) is a member of the Key Management Personnel and, as it is proposed to issue more than 1% of the Company's current issued capital, is considered to be material investors in the Company.
- (b) Maximum number and class of securities to be issued  
The Company proposes to issue 36,733,333 Shares, amounting to approximately \$110,200 worth of Shares the Employee Shares  
Mr Piercy (Chief Financial Officer) is a member of the Key Management Personnel and, as it is proposed to issue more than 1% of the Company's current issued capital, is considered to be material investors in the Company.
- (c) Material terms of the securities  
The Employee Shares to be issued will be fully paid ordinary shares in the capital of the Company which rank equally with the Company's existing Shares.
- (d) Issue date  
The Employee Shares will be issued on one date which will be no later than three (3) months after the date of this Meeting, or such later date as approved by ASX.
- (e) Issue price  
The Employee Shares will be issued for nil cash consideration at the deemed issue price of \$0.003 per Share.
- (f) Purpose of the issue  
The Employee Shares will be issued in lieu of outstanding fees payable to Mr Piercy.
- (g) Relevant agreement  
The Employee Shares will not be issued under an agreement.
- (h) Voting exclusion statement  
A voting exclusion statement has been included in the Notice for Resolution 17. Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on Resolution 17.

### **19.4 Board recommendations**

The Board recommends that Shareholders vote in favour of Resolution 17.

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## **20 Resolution 18 – Issue of Shares**

### **20.1 General**

The Company is proposing, subject to Shareholder approval for the purposes of Listing Rule



7.1, to issue the following Shares at a deemed issue price of \$0.003 per Share (**Employee Shares**), as consideration for services provided to the Company:

<b>Employee</b>	<b>Number of Employee Shares</b>
Kenneth Raywood (or his nominees)	8,333,333

If Resolution 18 is passed, the Company will be able to proceed with the issue of the Employee Shares on the terms set out in this Explanatory Memorandum.

If Resolution 18 is not passed, the Company may still proceed with the issue of the Employee Shares, but the issue will use up part of the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Employee Shares.

## **20.2 Regulatory requirements**

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

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

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, under Resolution 18 the Company seeks from Shareholders approval for the issue of the Employee Shares to Mr Rayward.

## **20.3 Technical information required by Listing Rule 7.3**

In compliance with the information requirements of Listing Rule 7.3, Shareholders are advised of the following information:

- (a) Identity of the persons to whom securities are to be issued  
The Company proposes to issue to Mr Ken Rayward (or his nominee).
- (b) Maximum number and class of securities to be issued  
The Company proposes to issue 8,333,333 Shares, amounting to approximately \$25,000 worth of Shares the Employee Shares.
- (c) Material terms of the securities  
The Employee Shares to be issued will be fully paid ordinary shares in the capital of the Company which rank equally with the Company's existing Shares.
- (d) Issue date  
The Employee Shares will be issued on one date which will be no later than three (3) months after the date of this Meeting, or such later date as approved by ASX.
- (e) Issue price  
The Employee Shares will be issued for nil cash consideration at the deemed issue price of \$0.003 per Share.

- (f) Purpose of the issue  
The Employee Shares will be issued in lieu of outstanding fees payable to Mr Rayward.
- (g) Relevant agreement  
The Employee Shares will not be issued under an agreement.
- (h) Voting exclusion statement  
A voting exclusion statement has been included in the Notice for each of Resolution 18. Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on Resolution 18.

**20.4 Board recommendations**

The Board recommends that Shareholders vote in favour of Resolution 18.

## SCHEDULE 1 DEFINITIONS

In this Notice and Explanatory Memorandum:

<b>10% Placement Facility</b>	has the meeting given in section 14.1 of the Explanatory Memorandum.
<b>10% Placement Period</b>	has the meaning given in section 14.2(e) of the Explanatory Memorandum.
<b>A\$ or \$</b>	means Australian dollars.
<b>Annual Report</b>	means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2023.
<b>ASX</b>	means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange operated by ASX Limited, as the context requires.
<b>AWST</b>	means Australian Western Standard Time, being the time in Perth, Western Australia.
<b>Board</b>	means the board of Directors.
<b>Chair or Chairperson</b>	means the person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice.
<b>Class A Performance Right</b>	means a performance right on the terms set out in Schedule 3 of this Notice.
<b>Class B Performance Right</b>	means a performance right on the terms set out in Schedule 4 of this Notice.
<b>Closely Related Party of a member of the Key Management Personnel</b>	means a spouse or child of the member; or a child of the member's spouse; or a dependent of the member or the member's spouse; or 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 dealings with the entity; or a company the member controls; or a person prescribed by the Corporations Regulations 2001 (Cth).
<b>Company</b>	means Skin Elements Limited (ACN 608 047 794).
<b>Constitution</b>	means the constitution of the Company as amended.
<b>Corporations Act</b>	means the Corporations Act 2001 (Cth) as amended.
<b>Director</b>	means a director of the Company.
<b>Director Shares</b>	has the meaning given in section 17.1, 16.1 and 17.1 of the Explanatory Memorandum.
<b>Directors' Report</b>	means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
<b>Employee Shares</b>	has the meaning given in section 20.1, 19.1 and 20.1 of the Explanatory Memorandum.
<b>Equity Securities</b>	has the same meaning given in the Listing Rules.
<b>Explanatory Memorandum</b>	means this explanatory memorandum.
<b>Financial Report</b>	means the annual financial report prepared under Chapter 2M of the

	Corporations Act of the Company and its controlled entities.
<b>Key Management Personnel</b>	has the same meaning given in the Listing Rules.
<b>Listed Option</b>	means an option to subscribe for Shares in the Company which is listed on the official list of the ASX.
<b>Listing Rule</b>	means the listing rules of the ASX.
<b>Meeting</b>	means the meeting convened by this Notice (as adjourned from time to time).
<b>New Plan</b>	means the 'Skin Elements Limited Equity Incentive Plan', the material terms of which are set out in Schedule 2 of this Explanatory Memorandum.
<b>Notice</b>	means this notice of meeting.
<b>Option</b>	means an option to be issued a Share.
<b>Proxy Form</b>	means the proxy form attached to this Notice.
<b>Remuneration Report</b>	means the remuneration report of the Company included in the Directors' Report section of the Company's Annual Report.
<b>Resolution</b>	means a resolution set out in the Notice.
<b>Securities</b>	means a Share or an Option.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means a holder of a Share.
<b>Trading Day</b>	means a day determined by ASX to be a trading day in accordance with the Listing Rules.
<b>VWAP</b>	means volume weighted average price as defined in the Listing Rules.

## SCHEDULE 2 SUMMARY OF MATERIAL TERMS OF THE NEW PLAN

The Directors are proposing to adopt the New Plan, to enable eligible persons to be granted Options, Performance Rights and Shares (Awards), the principal terms of which are summarised below:

### 1. Eligibility

The Board may, in its absolute discretion, invite an “Eligible Person” to participate in the New Plan. An “Eligible Person” means a person that is a “primary participant” (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an associated body corporate and has been determined by the Board to be eligible to participate in the New Plan from time to time.

### 2. Offer

Following determination that an Eligible Person may participate in the New Plan; the Board may make an offer to that person by an offer letter setting out the terms of the offer and any Conditions which may apply to the offer or the Awards (Offer Letter).

### 3. Issue Cap

Unless the Company is unlisted or the Company constitution provides otherwise, the Company must not make an offer of Awards for monetary consideration under the New Plan, where the total number of Shares to be issued under the New Plan (New Plan Shares) (or that will be issued upon conversion of convertible securities to be issued), when aggregated with the number of New Plan Shares that may be issued as a result of offers made under the New Plan, at any time during the previous 3 year period, would exceed 5% of the total number of Shares on issue at the date of the offer.

The New Plan does not contain an issue cap on the number of Awards that may be issued for no monetary consideration.

### 4. Disclosure

All offers of Awards under the New Plan for no monetary consideration are made pursuant to Division 1A of Part 7.12 of the Corporations Act and accordingly the Company will not issue a disclosure document for such an offer.

If the Company makes an offer to issue Awards under the New Plan for monetary consideration, the Company will comply with the disclosure requirements in Division 1A of Part 7.12 of the Corporations Act.

### 5. Nature of Awards

Each Option or Performance Right entitles the holder, to subscribe for, or be transferred, one Share. Any Shares acquired as an Award or pursuant to the exercise of an Award will rank equally with all existing Shares from the date of acquisition.

### 6. Vesting

Awards may be subject to exercise conditions, performance hurdles or vesting conditions (Conditions). These Conditions must be specified in the Offer Letter to Eligible Persons. In the event that a takeover bid for the Company is declared unconditional, there is a change of control in the Company, or if a merger by way of a scheme of arrangement has been approved by a court, then the Board may determine that:

- (a) all or a percentage of unvested Options will vest and become exercisable;
- (b) all or a percentage of Performance Rights will be automatically exercised; and

- (c) any Shares issued or transferred to a holder under the New Plan that have restrictions (on their disposal, the granting of any security interests in or over, or otherwise on dealing with), will be free from any restrictions on disposal.

**7. Exercise Period**

The period during which a vested Award may be exercised will commence when all Conditions have been satisfied, waived by the Board, or are deemed to have been satisfied under the rules of the New Plan and the Company has issued a vesting notification to the holder, and ends on the Expiry Date (as defined at 10(d) below).

**8. Disposal restrictions**

Awards granted under the New Plan may not be assigned, transferred, novated, encumbered with a security interest (such as a mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature) over them, or otherwise disposed of by a holder, other than to a nominated party (such as an immediate family member, trustee of a trust or company) in accordance with the New Plan, unless:

- (a) the prior consent of the Board is obtained; or
- (b) such assignment or transfer occurs by force of law upon the death of a holder to the holder's legal personal representative.

**9. Cashless exercise**

Optionholders may, at their election, elect to pay the exercise price for an Option by setting off the exercise price against the number of Shares which they are entitled to receive upon exercise of the Option (**Cashless Exercise Facility**). By using the Cashless Exercise Facility, the Optionholder will receive Shares to the value of the surplus after the exercise price has been set off.

If an Optionholder elects to use the Cashless Exercise Facility, the Optionholder will only be issued that number of Shares (rounded down to the nearest whole number) as are equal to the value of the difference between the exercise price otherwise payable for the Options and the then market value of the Shares at the time of exercise (determined as the volume weighted average price on the ASX over the five trading days prior to providing a notice of exercise).

**10. Lapse**

Unvested Awards will generally lapse on the earlier of:

- (a) the cessation of employment, engagement or office of the holder;
- (b) the day the Board makes a determination that all unvested Awards and vested Options of the holder will lapse because, in the opinion of the Board the holder has acted fraudulently or dishonestly, or is in material breach of his or her duties or obligations to the Company;
- (c) if any applicable Conditions are not achieved by the relevant time;
- (d) if the Board determines that any applicable Conditions have not been met and cannot be met prior to the date that is 5 years from the grant date of an Award or any other date determined by the Board and as specified in the Offer (**Expiry Date**); or
- (e) the Expiry Date.

Where a holder of Awards ceases to be employed or engaged by the Company and is not a "Bad Leaver" (as that term is defined in the New Plan), and the Awards have vested, they will

remain exercisable until the Awards lapse in accordance with the New Plan rules or if they have not vested, the Board will determine as soon as reasonably practicable after the date the holder ceases to be employed or engaged, how many (if any) of those holder's Awards will be deemed to have vested and exercisable.

Where a holder becomes a "Bad Leaver" (as that term is defined in the New Plan), all Awards, unvested or vested, will lapse on the date of the cessation of employment, engagement or office of that holder.

## **SCHEDULE 3            TERMS AND CONDITIONS OF CLASS A PERFORMANCE RIGHTS**

The Class A Performance Rights will be issued pursuant to the New Plan, with the following key terms and conditions:

**1.            Entitlement**

Each Class A Performance Right will entitle its holder to subscribe for and be issued, one Share (upon exercise of that Class A Performance Right), subject to satisfaction of the vesting conditions.

**2.            Exercise price**

Subject to the terms of the New Plan, the amount payable upon exercise of each Performance Right will be nil.

**3.            Expiry Date**

Each Performance Right expires at 5.00pm (WST) on the date that is 48 months from the date issue (Expiry Date).

**4.            Exercise period**

Subject to satisfaction of the vesting conditions, the Performance Rights are exercisable at any time on or before the Expiry Date.

**5.            Vesting conditions**

The Class A Performance Rights will vest on grant to the holder.

**6.            Participation in new issues**

There are no participating rights or entitlements inherent in the Class A Performance Rights and participants will not be entitled to participate in new issues of securities offered to Shareholders of the Company during the currency of the Class A Performance Rights.

**7.            Transferability**

The Class A Performance Rights are not transferable.

**8.            Voting rights**

The Class A Performance Rights do not confer any right to vote.

**9.            Dividend**

The Class A Performance Rights do not carry an entitlement to a dividend.

**10.          Return of capital**

The Class A Performance Rights do not permit the holder to participate in a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

**11.          Rights on winding up**

The Class A Performance Rights do not confer any right to participate in the surplus profit or assets of the entity upon a winding up.

**12.          Quotation**

The Class A Performance Rights will not be listed for quotation on the ASX, however, the Company will apply for official quotation of the Shares issued upon the exercise of any vested Class A Performance Rights.

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In the event of an inconsistency between the New Plan and these terms and conditions, these terms and conditions shall prevail.

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## SCHEDULE 4 TERMS AND CONDITIONS OF CLASS B PERFORMANCE RIGHTS

The Class B Performance Rights will be issued pursuant to the New Plan, with the following key terms and conditions:

**1. Entitlement**

Each Class B Performance Right will entitle its holder to subscribe for and be issued, one Share (upon exercise of that Class B Performance Right), subject to satisfaction of the vesting conditions.

**2. Exercise price**

Subject to the terms of the New Plan, the amount payable upon exercise of each Class B Performance Right will be nil.

**3. Expiry Date**

Each Class B Performance Right expires at 5.00pm (WST) on the date that is [48] months from the date issue (**Expiry Date**).

**4. Exercise period**

Subject to satisfaction of the vesting conditions, the Class B Performance Rights are exercisable at any time on or before the Expiry Date.

**5. Vesting conditions**

The Class B Performance Rights will be issued in four tranches as set out below.

Tranche	Class B Performance Milestone	Vesting Period (from date of issue)	% of Class B Performance Rights vested
1	The Company receiving revenue from the sale of its products to an aggregate value of \$5,000,000.  The holder continues to be engaged by the Company as an Eligible Participant and performs their duties to the Company under that engagement up to and including the date of satisfaction of the applicable Vesting Condition.	48 months	25%
2	The Company receiving revenue from the sale of its products to an aggregate value of \$10,000,000.  The holder continues to be engaged by the Company as an Eligible Participant and performs their duties to the Company under that engagement up to and including the date of satisfaction of the applicable Vesting Condition.	48 months	25%
3	The Company receiving revenue from the sale of its products to an aggregate value of	48 months	25%

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	\$15,000,000. The holder continues to be engaged by the Company as an Eligible Participant and performs their duties to the Company under that engagement up to and including the date of satisfaction of the applicable Vesting Condition.		
4	The Company receiving revenue from the sale of its products to an aggregate value of \$20,000,000. The holder continues to be engaged by the Company as an Eligible Participant and performs their duties to the Company under that engagement up to and including the date of satisfaction of the applicable Vesting Condition.	48 months	25%

**6. Participation in new issues**

There are no participating rights or entitlements inherent in the Class B Performance Rights and participants will not be entitled to participate in new issues of securities offered to Shareholders of the Company during the currency of the Class B Performance Rights.

**7. Transferability**

The Class B Performance Rights are not transferable.

**8. Voting rights**

The Class B Performance Rights do not confer any right to vote.

**9. Dividend**

The Class B Performance Rights do not carry an entitlement to a dividend.

**10. Return of capital**

The Class B Performance Rights do not permit the holder to participate in a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

**11. Rights on winding up**

The Class B Performance Rights do not confer any right to participate in the surplus profit or assets of the entity upon a winding up.

**12. Quotation**

The Class B Performance Rights will not be listed for quotation on the ASX, however, the Company will apply for official quotation of the Shares issued upon the exercise of any vested Class B Performance Rights.

In the event of an inconsistency between the New Plan and these terms and conditions, these terms and conditions shall prevail.

**SCHEDULE 5 – VALUATION OF PERFORMANCE RIGHTS**



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**SKIN ELEMENTS LIMITED – PERFORMANCE SHARE RIGHTS VALUATION MODEL**

**ASX Company:** Skin Elements Limited [ASX: SKN] (SKN)   **Date** 22 July 2024

**Purpose:** Corporate Finance -SKN Performance Share Rights Valuation

**Prepared by:** Kenny GU - Analyst   **Date** 22 July 2024

**Reviewed by:** Enrico Mattiaccio   **Date** 22 July 2024

**• INTRODUCTION**

Indian Ocean Securities Pty Ltd - AFSL: 336409 (IOS) has been engaged by Skin Elements Limited [ASX: SKN] (SKN) in connection with the valuation of SKN's proposed Performance Rights (Performance Rights) proposing to be granted by SKN to the SKN Directors, Executive Management and Consultants together, Executives) in accordance with the Company's Equity Incentive Plan (EP) and subject to approval by the Company's shareholders.

SKN proposes to issue Performance Rights to Executives to recognize and reward for past work not remunerated, to incentivize and retain key Executives and align with Shareholder values as SKN transitions from research and development into commercializing of technologies and intellectual properties.

The key information used in the valuation is set out below.

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## • TERMS OF RIGHTS

The terms of the Performance Rights are proposed to be formally announced by SKN as an ASX announcement as follows:

Performance Rights	Class A		Class B			
			I	II	III	IV
Total Number of Performance Rights	100,000,000				200,000,000	
Tranche						
% Of Performance Rights Vested	100%	13.5%	6.8%	4.3%	3.2%	
Non-Market Vesting Conditions - Performance Milestone	N/A	The Company receiving revenue from the sale of its products to an aggregate value of 5,000,000	The Company receiving revenue from the sale of its products to an aggregate value of 10,000,000	The Company receiving revenue from the sale of its products to an aggregate value of 15,000,000	The Company receiving revenue from the sale of its products to an aggregate value of 20,000,000	
Other Non-Market Vesting Conditions – Continuing Employment	N/A	Yes	Yes	Yes	Yes	
Vesting Date	On issue	Achieved condition	Achieved condition	Achieved condition	Achieved condition	
Expiry Date (Lastest Vesting Date)	31/8/2028	31/8/2028	31/8/2028	31/8/2028	31/8/2028	
Exercise Period date vested	48 months from issue	48 months from issue	48 months from issue	48 months from issue	48 months from issue	

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## • VALUATION METHODOLOGY

In accordance with AASB 2 'Share Based Payments' and Option Valuation theory, the fair value of the Performance Rights is determined by reference to the underlying value of the Performance Rights, and then applying the estimated impact of non-market conditions by adjusting the number of performance rights expected to vest by multiplying the probability of achieving each vesting condition.

Under this scenario, given that the Performance Rights are issued for no consideration, we have applied the Binomial Valuation Methodology assuming that all rights vest is the appropriate underlying value of the Performance Rights.

The Class B Performance Rights are subject to service conditions being continuing and performance hurdles being specific sales revenue targets.

The current probabilities of achieving each of the non-market vesting conditions was considered following discussions with management on the likelihood of future sales, volatility, analysis of empirical data and other various relevant information including:

- The Company's recent historical share price, volatility, and volume traded on ASX.
- Director and executive remuneration data from ASX listed companies with equivalent market capitalization and from comparable industry sectors
- Analysis of remuneration reports and market and non-market based performance rights trends for ASX companies.

The probability from each tranche was determined by using Discounted Cashflow model to forecast the SKN values, then applied Z-score to determine the probability value as a numerical measurement which determined a value relationship to the mean of the probability percentage value.

All data and information have been sourced from public databases including IRES, FN Arena Research, Morning Star Research and ASX.

As SKN is not expected to pay dividends over the duration of the Performance Rights, dividends are not considered in the valuation.

The valuation of the Rights assumes that the exercise of a performance right does not affect the value of the underlying asset.

Under AASB 2 'Share Based Payments' and option valuation theory, no discount is made to the fundamental value for unlisted performance rights over listed shares.

## • VALUATION

In valuing the Rights, we made the following assumptions regarding the inputs required for our option pricing model:

### ○ Underlying Share Price

The share price of Skin Elements as 20-days VWAP from 19 June 2024 to 17 July 2021 was \$0.00356, which we have used as an input in valuing the Performance Right.

### ○ Valuation Date

The Rights are intended to be issued at the Company's shareholder meeting, which is to be held after the date of this report. For our valuation, we have adopted a valuation date of 17/07/2024 being the date of this report.

### ○ Expected Dividends on Shares

Skin Elements Limited is not expected to pay Dividend in the duration of the Performance Rights. Therefore, we have demonstrated the Dividend Yield to be non-applicable.

### ○ Expiry Date and life of SKN Performance Rights

As per the terms of the Performance Rights, the Class A Performance Rights have an expiry date

(Vesting date) of 31 August 2028, and the Class B Performance Rights have an expiry date (vesting date) of 31 August 2028 to achieve the performance milestones.

To this valuation, we have estimated an exercise date as the expiry date, giving effective longevity - time value for the Performance Rights of 48 months.

### ○ Vesting Conditions

The Class B Performance Rights Milestone as below:

Tranche	Performance Milestone	% Of Performance Rights Vested
I	The Company receiving revenue from the sale of its products to an aggregate value of \$5,000,000	13.5%
II	The Company receiving revenue from the sale of its products to an aggregate value of \$10,000,000	6.8%
III	The Company receiving revenue from the sale of its products to an aggregate value of \$15,000,000	4.3%
IV	The Company receiving revenue from the sale of its products to an aggregate value of \$20,000,000	3.2%

- **CONCLUSION**

We set out our Valuation conclusions of the Class A and Class B Performance Rights below:

Item	Class A Valuation	Class B Valuation			
		Tranche I	Tranche II	Tranche III	Tranche IV
Underlying Security spot price	\$0.00356	\$0.00356	\$0.00356	\$0.00356	\$0.00356
Valuation Date	17/07/2024	17/07/2024	17/07/2024	17/07/2024	17/07/2024
Expiry Date (Vesting Date)	31/8/2028	31/8/2028	31/8/2028	31/8/2028	31/8/2028
Vesting Period (month)	48	48	48	48	48
Probability	100%	13.5%	6.8%	4.3%	3.2%
Exercise Period	48 months from issue	48 months from issue	48 months from issue	48 months from issue	48 months from issue
Value per Right	\$0.00356	\$0.000481	\$0.000242	\$0.000154	\$0.000112
Number of Rights	100,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Value of Tranche	\$356,000	\$24,072	\$12,080	\$7,707	\$5,625

**\*All calculation Figures rounded.**

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## LODGE YOUR VOTE

**ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

**BY MAIL**  
Skin Elements Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

**BY FAX**  
+61 2 9287 0309

**BY HAND\***  
Link Market Services Limited  
Parramatta Square, Level 22, Tower 6,  
10 Darcy Street, Parramatta NSW 2150

\*During business hours Monday to Friday

**ALL ENQUIRIES TO**  
Telephone: 1300 554 474      Overseas: +61 1300 554 474

## LODGE MENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **10:45am (AWST) on Wednesday, 27 November 2024**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:

**ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

**BY MOBILE DEVICE**

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

QR Code



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in 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 A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the

appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and

- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### IMPORTANT INFORMATION

Link Group is now known as MUFG Pension & Market Services. Over the coming months, Link Market Services will progressively rebrand to its new name MUFG Corporate Markets, a division of MUFG Pension & Market Services.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**



X9999999999

# PROXY FORM

I/We being a member(s) of Skin Elements Limited and entitled to attend and vote hereby appoint:

## APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the 2024 Annual General Meeting of the Company to be held at **10:45am (AWST) on Friday, 29 November 2024 at 1242 Hay Street, West Perth, Western Australia** (the Meeting) and at any postponement or adjournment of the Meeting.

**Important for Resolutions 1, 4, 5, 6, 7, 13, 14 & 15:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 4, 5, 6, 7, 13, 14 & 15, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

## VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

### Resolutions

Resolutions	For	Against	Abstain*	Resolutions	For	Against	Abstain*
1 Remuneration Report (Non-Binding)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Issue of Termination Benefits to Mr Filippo (Phil) Giglia	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-Election of Director – Mr Filippo (Phil) Giglia	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Issue of Termination Benefits to Mr Stuart Usher	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Adoption of New Long-Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Issue of Class a Performance Rights to Mr Peter Malone (or His Nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13 Issue of Shares to Related Party - Mr Peter Malone - in Lieu Of Director's Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Issue of Class B Performance Rights to Mr Peter Malone (or His Nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14 Issue of Shares to Related Party - Mr Filippo (Phil) Giglia - in Lieu Of Director's Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Issue of Class B Performance Rights to Mr Filippo (Phil) Giglia (or His Nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15 Issue of Shares to Related Party - Mr Stuart Usher - in Lieu Of Director's Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Issue of Class B Performance Rights to Mr Stuart Usher (or His Nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16 Issue of Shares to Mr Leo Fung (or His Nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Issue of Termination Benefits to Mr Peter Malone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	17 Issue of Shares to Mr Craig Piercy (or His Nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Issue of Termination Benefits to Mr Peter Malone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	18 Issue of Shares to Mr Kenneth Rayward (or His Nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**i** \* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

## SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

SKN PRX2401N

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STEP 1

STEP 2

STEP 3

