

Dear Shareholder

The Annual General Meeting (**Meeting**) of shareholders of Echo IQ Limited (ABN 48 142 901 353) (**Company**) will be held at Suite 404, Level 4, 309 George Street, Sydney NSW 2000 on Monday, 28 November 2022 at 11:00am (AEDT).

The Company has made the decision to hold a physical meeting with appropriate social distancing measures in place.

In accordance with section 110D(1) of the *Corporations Act 2001* (Cth), the Company will not be sending hard copies of the Company's notice of the Meeting (**Notice**) to shareholders unless a shareholder has made a valid election to receive such documents in hard copy. The Notice can be viewed and downloaded from the Company's website at <https://www.echoiq.ai> or ASX at www2.asx.com.au.

You may vote by attending the Meeting in person (or by attorney), by proxy or by appointing a corporate representative. The Company strongly encourages shareholders to submit their proxy appointment and voting instructions prior to the meeting in person, by post, electronically via the internet or by facsimile.

Your proxy form must be received by 11:00am (AEDT) on 26 November 2022, being not less than 48 hours before the commencement of the Meeting. Any proxy forms received after that time will not be valid for the Meeting. Instructions for how to lodge the proxy form are set out in the Notice.

Circumstances relating to COVID-19 may change and accordingly, we may need to make alternative arrangements to the way in which the Meeting is held. If this occurs, we will notify any changes by way of announcement on ASX and the details will also be made available on our website at <https://www.echoiq.ai>.

The Notice is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser.

If you have any difficulties obtaining a copy of the Notice, please contact the Company Secretary by telephone at +61 8 6245 2050.

The Company encourages shareholders to provide an email address so we can communicate with you electronically for items such as notices of meeting and annual reports. Shareholders can still elect to receive some or all of their communications in physical or electronic form, or elect not to receive certain documents such as annual reports. To review or update your communication preferences, please visit the Company's share registry website at <https://www-au.computershare.com/investor/#Home?cc=au>, or call 1300 555 159.

Yours sincerely,

Jessamyn Lyons
Company Secretary

EchoIQ Limited
ACN 142 901 353

Notice of Annual General Meeting

Notice is given that the Annual General Meeting will be held at:

Time: 8:00am (AWST) / 11:00am (AEDT)

Date: 28 November 2022

Place: Suite 404, Level 4, 309 George Street, Sydney, NSW 2000

Due to current COVID-19 restrictions, persons proposing to attend the Annual General Meeting in person are requested to contact the Company by email at CoSec@echoiq.ai at least 3 Business Days prior to the Meeting, so that appropriate arrangements can be made.

Important

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm (Sydney time) on 26 November 2022.

Business of the Meeting

Agenda

1. Financial Statements and Reports

To table and consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2022, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report.

2. Resolution 1 – Adoption of Remuneration Report

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

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Annual Report for the financial year ended 30 June 2022."

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

Voting Prohibition Statement:

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

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

However, a person (the voter) 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:

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

3. Resolution 2 – Re-election of Director – Mr Steve Formica

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

"That, for the purposes of clause 14.2 of the Constitution, ASX Listing Rule 14.4, and for all other purposes, Steve Formica, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. Resolution 3 – Ratification of previous agreement to issue Shares – Placement

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the agreement to issue 23,333,333 Shares to various sophisticated and professional investors announced on 12 October 2022 under ASX Listing Rule 7.1, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue of the Shares, or any of their associates.

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

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

5. **Resolution 4 – Approval of 10% Additional Issuance Capacity**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

6. **Resolution 5 – Enable the issue of Equity Incentives under an Employee Incentive Scheme – EchoIQ Equity Incentive Plan**

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

“That, for the purposes of ASX Listing Rule 7.2 (Exception 13(b), and for all other purposes, approval is given to enable the Company to issue Equity Incentives under the employee incentive scheme titled “EchoIQ Equity Incentive Plan”, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of any person who is eligible to participate in the EchoIQ Equity Incentive Plan, or any associates of those persons.

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

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

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or

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

However, the above prohibition does not apply if:

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

7. Resolution 6 – Approval to Issue Options to Director – Andrew Grover

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

“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 6,000,000 Options to Andrew Grover (or his nominee/s), on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Andrew Grover (or his nominee/s), and any other person who will obtain a material benefit as a result of the proposed issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any associates of those persons.

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

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

Voting Prohibition Statement: In accordance with section 224 of the Corporations Act, a vote on this Resolution may not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit be given or any of their associates (**Restricted Party**). However, a Restricted Party may cast a vote on the Resolution as a proxy if they are appointed as a proxy by writing that specifies the way the proxy is to vote and the vote is not cast on behalf of any Restricted Party.

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

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
 - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, provided the Chair is not a Restricted Party, the above prohibition does not apply if:
- (c) the proxy is the Chair; and
 - (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

8. Resolution 7 – Approval to Issue Options to Director – Steve Formica

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

"That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 2,000,000 Options to Steve Formica (or his nominee/s), on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Steve Formica (or his nominee/s), and any other person who will obtain a material benefit as a result of the proposed issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any associates of those persons.

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

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

Voting Prohibition Statement: In accordance with section 224 of the Corporations Act, a vote on this Resolution may not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit be given or any of their associates (**Restricted Party**). However, a Restricted Party may cast a vote on the Resolution as a proxy if they are appointed as a proxy by writing that specifies the way the proxy is to vote and the vote is not cast on behalf of any Restricted Party.

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

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.
However, provided the Chair is not a Restricted Party, the above prohibition does not apply if:
- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

9. Resolution 8 – Approval to Issue Options to Director – Steve Picton

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

"That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 2,000,000 Options to Steve Picton (or his nominee/s), on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Steve Picton (or his nominee/s), and any other person who will obtain a material benefit as a result of the proposed issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any associates of those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides (provided the Chair is not a Restricted Party in respect of the Resolution); or

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

Voting Prohibition Statement: In accordance with section 224 of the Corporations Act, a vote on this Resolution may not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit be given or any of their associates (**Restricted Party**). However, a Restricted Party may cast a vote on the Resolution as a proxy if they are appointed as a proxy by writing that specifies the way the proxy is to vote and the vote is not cast on behalf of any Restricted Party.

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

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.
However, provided the Chair is not a Restricted Party, the above prohibition does not apply if:
- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

10. Resolution 9 – Replacement of Constitution

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of section 136(2) and 136(1)(b) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the Chair for identification purposes.”

11. Resolution 10 – Appointment of PKF as Auditor

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

“That, for the purpose of sections 327B(1)(b) of the Corporations Act and for all other purposes, PKF Perth, having been nominated by a Shareholder and having consented in writing to act in the capacity of auditor, be appointed as auditor of the Company with effect from the end of the Meeting.”

Dated: 26 October 2022

By order of the Board

Jessamyn Lyons
Company Secretary

Attendance and voting in person

Due to current government guidelines regarding COVID-19, persons proposing to attend the Annual General Meeting in person are requested to contact the Company by email at CoSec@echoiq.ai, at least 3 Business Days prior to the Meeting, so that appropriate arrangements can be made.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- (a) each Shareholder has a right to appoint a proxy;
- (b) the proxy need not be a Shareholder; and
- (c) a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- (a) if proxy holders vote, they must cast all directed proxies as directed; and
- (b) any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary at CoSec@echoiq.ai .

Explanatory Statement

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. Financial Statements and Reports

Shareholders will be offered the opportunity to discuss the Annual Report at the Meeting. The Company will not provide a hard copy of the Annual Report to Shareholders unless specifically requested to do so. The Annual Report is available on the Company's website at <https://www.echoiq.ai/>.

There is no requirement for Shareholders to approve the Annual Report. However, the Chair will allow a reasonable opportunity for Shareholders to ask questions or make comments about the Annual Report and the management of the Company. Shareholders will also be given an opportunity to ask the auditor questions as permitted by the Corporations Act.

2. Resolution 1 – Adoption of Remuneration Report

2.1 □ General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 □ Voting consequences

The vote on Resolution 1 is advisory only and does not bind the Company or its Directors. However, the Board will actively consider the outcome of the vote and comments made by Shareholders on the Remuneration Report when reviewing the Company's future remuneration policies and practices.

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3□ Previous voting results

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

3. Resolution 2 – Re-election of Director – Steve Formica

3.1□ General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting. ASX Listing Rule 14.4 provides that a director must not continue to hold office without re-election past the third annual general meeting following the director's appointment, or 3 years, whichever is longer.

Steve Formica who has served as a Director since 2 July 2018 and was last re-elected by Shareholders on 29 November 2019, and is the longest serving Director subject to retirement, retires by rotation and seeks re-election.

3.2□ Qualifications and other material directorships

Mr Formica brings to the Company practical management and business development experience. He has been a successful businessman and operations manager for over 30 years in a number of privately held business ventures including manufacturing, construction, landscape contracting, property development, and integrated wholesale and retail businesses.

More recently he has been a successful investor and non-executive director in mineral resource companies. Mr Formica is currently a non-executive director of ASX listed company Ragnar Metals Limited (ASX: RAG). In the past three years he has been a director of Jade Gas Holdings Limited (formerly known as High Grade Metals Limited), Bowen Coking Coal Limited, Lindian Resources Limited, and Orminex Limited..

3.3□ Independence

Mr Formica has no interests, position, association, or relationship that might influence, or reasonably be perceived to influence, in a material respect, his capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the Company and its securityholders. The Board considered Mr Formica is an independent director.

3.4□ Board recommendation

The Board supports the re-election of Mr Formica and recommends that Shareholders vote in favour of Resolution 2 because the Board considers that the experience, expertise, and skills of Mr Formica assist the Board in fulfilling its responsibilities, and do and will continue to assist the Company in achieving growth and delivering value to Shareholders.

4. Resolution 3 – Ratification of agreement to issue Shares – Placement

4.1 General

On 12 October 2022, the Company announced it had received firm commitments to raise \$3,500,000 by the issue of 23,333,333 Shares at \$0.15 per Share (**Placement Shares**).

The Placement Shares are to be issued to sophisticated and professional investors using the Company's existing placement capacity under Listing Rule 7.1. As at the date of this Notice, the

Company has not yet issued the Placement Shares, but their issue is anticipated to be completed on 20 October 2022, and will in any case have been completed before the date of the Meeting.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the agreement to issue the Placement Shares.

4.2 Listing Rules 7.1 and 7.4

ASX 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 (**Placement Capacity**).

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies a previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

4.3 Effect of the Resolution

If Shareholders approve Resolution 3, they will have ratified the agreement to issue of the Placement Shares, and the issue of those Shares will no longer use up a portion of the Company's Placement Capacity, and will be included in the base figure (referred to as variable "A" in ASX Listing Rule 7.1) from which the Company's 15% Placement Capacity and 10% Additional Placement Capacity under Listing Rule 7.1A are calculated (as explained further below), meaning the Company will have an increased ability to issue equity securities without seeking Shareholder approval.

If Shareholders do not approve Resolution 3, the issue of the Placement Shares will continue to use up a portion of the Company's current Placement Capacity until the date that is 12 months from their date of issue, and the Company will therefore have a reduced ability to issue equity securities without seeking Shareholder approval until that time.

4.4

Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 3 so the Company can preserve maximum flexibility in terms of its ability to issue equity securities under its Placement Capacity.

4.5 Technical information required by ASX Listing Rule 7.5

- (a) the Shares were issued to sophisticated and professional investors identified by the joint lead managers to the Placement, CPS Capital, Peloton Capital, and Shaw and Partners, in consultation with the Directors (21,793,333 Shares), and HeartX Fund LLC, a US based cardiovascular focussed healthcare accelerator (1,540,000 Shares). None of the subscribers were a related party of the Company or an associate of a related party; nor were any of them a member of the Company's Key Management Personnel, a substantial holder of the Company, an adviser of the Company, or any associate of any of those parties, who were issued more than 1% of the issued capital of the Company;
- (b) the total number of Shares that the Company agreed issue was 23,333,333;
- (c) the Shares are to be issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were to be issued on 20 October 2022 (and in any event will have been issued by the date of the Meeting);

- (e) the Shares were issued for cash consideration of \$0.15 per Share;
- (f) the funds raised by the issue of the Shares are primarily being used to provide funding for the Company to deliver on its key strategic priorities over the next 18 months including progressing the securing of FDA clearance for regulated aspects of its AI enhanced diagnostic solution, product development and commercialisation activities; and
- (g) the Company engaged CPS Capital, Peloton Capital, and Shaw and Partners as joint lead managers to the Placement. The Company paid fees of an aggregate of 6% of the amount raised under the Placement (not including the value of the Shares subscribed for by HeartX Fund). The agreements with the joint lead managers were on usual commercial terms and conditions for agreements of this kind.

5. **Resolution 4 – Approval of 10% Issuance Capacity**

5.1 ☐ **General**

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

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

An "eligible entity" means an entity which is not included in the S&P/ASX300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

Resolution 4 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without Shareholder approval (**Additional Issuance Capacity**).

If Resolution 4 is not passed, the Company will not be able to access the Additional Issuance Capacity and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

The Board considers it is in the Company's best interests to have the opportunity to take advantage of the flexibility to issue additional securities provided under ASX Listing Rule 7.1A. As at the date of this Notice, no decision has been made by the Board to undertake any issue of securities under the Additional Issuance Capacity if Shareholders approve Resolution 4. The Board unanimously recommend that Shareholders vote in favour of Resolution 4.

The information below provides more background on ASX Listing Rule 7.1A and the disclosure required by ASX Listing Rule 7.3A.

5.2 ☐ **Technical Information required by ASX Listing Rule 7.3A**

(a) **Securities which may be issued under the Additional Issuance Capacity**

Under the Additional Issuance Capacity, the Company must issue Equity Securities belonging to an existing quoted class of the Company's Equity Securities. As at the date of this Notice, the Company has on issue one class of quoted Equity Securities, being fully paid ordinary shares (ASX Code: EIQ).

(b) **Minimum issue price**

Equity Securities issued under the Additional Issuance Capacity must be issued for cash consideration per security which is not less than 75% of the volume weighted average

market price for the securities in that class, calculated over the 15 ASX trading days on which trades of securities in that class were recorded immediately before:

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

The Company will disclose this information when Equity Securities are issued under the Additional Issuance Capacity.

(c) **Period for which approval will be valid**

Shareholder approval of the Additional Issuance Capacity will be valid for the period commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) the date that is 12 months after the date of the Meeting; or
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) if the Company receives Shareholder approval for a proposed transaction under ASX Listing Rule 11.1.2 (significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking), the time and date of that approval,

(Additional Issuance Period).

(d) **Dilution risks**

If Equity Securities are issued under the Additional Issuance Capacity, there is a risk of economic and voting dilution of existing Shareholders, including the following risks:

- (i) the market price for Equity Securities in the class of securities issued under the Additional Issuance Capacity may be significantly lower on the issue date than on the date of the approval under ASX Listing Rule 7.1A (that is, the date of the Meeting, if Resolution 4 is approved); and
- (ii) the Equity Securities may be issued under the Additional Issuance Capacity at a discount to the market price for those Equity Securities on the issue date,

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

The below table shows the potential dilution of existing Shareholders on the basis of the market price of Shares and the number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A.2, both as at 14 October 2022.

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 as at 14 October 2022. 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 entitlement offer or securities issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at

a future general meeting; and

- (iii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the market price as at 14 October 2022.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.085 50% decrease in Issue Price	\$0.17 Issue Price	\$0.255 50% increase in Issue Price
430,695,213 (Current Variable A)	Shares issued – 10% voting dilution	43,069,521 Shares	43,069,521 Shares	43,069,521 Shares
	Funds Raised	\$3,660,909	\$7,321,819	\$10,982,728
646,042,819 (50% increase in Variable A)	Shares issued – 10% voting dilution	64,604,281 Shares	64,604,281 Shares	64,604,281 Shares
	Funds Raised	\$5,491,364	\$10,982,728	\$16,474,092
861,390,426 (100% increase in Variable A)	Shares issued – 10% voting dilution	86,139,042 Shares	86,139,042 Shares	86,139,042 Shares
	Funds Raised	\$7,321,819	\$14,643,637	\$21,965,456

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 430,695,213 Shares on issue. (This number does not include any of the Placement Shares which are the subject of Resolution 3 and which had not been issued as at 14 October 2022).
2. The issue price set out above is the closing price of the Shares on the ASX on 14 October 2022.
3. The Company issues the maximum possible number of Equity Securities under the Additional Issuance Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the Additional Issuance Capacity consists only of Shares and the consideration provided for those Shares is cash. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. 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%.

(e) **Purpose of issues under Additional Issuance Capacity**

The Company may issue Equity Securities under the Additional Issuance Capacity to raise cash to fund the following:

- (i) general working capital expenses;
- (ii) activities associated with its current business;
- (iii) repayment of debt; or
- (iv) the acquisition of new assets and investments (including any expenses

associated with such an acquisition).

The Company will comply with the disclosure requirements of ASX Listing Rule 7.1A.4 on issue of any Equity Securities pursuant to the approval sought by Resolution 4.

(f) **Allocation policy under Additional Issuance Capacity**

The Company's allocation policy and the identity of the recipients of Equity Securities issued under the Additional Issuance Capacity will be determined on a case-by-case basis at the time of issue and in the Company's discretion.

No decision has been made in relation to an issue of Equity Securities under the Additional Issuance Capacity, including whether the Company will engage with new investors or existing Shareholders, and if so the identities of any such persons.

However, when determining the allocation policy and the identity of the recipients, the Company will have regard to the following considerations:

- (i) prevailing market conditions;
- (ii) the purpose for the issue of the Equity Securities;
- (iii) the financial situation and solvency of the Company;
- (iv) impacts of the placement on control;
- (v) other methods of raising capital; and
- (vi) advice from corporate, financial, and broking advisers (if applicable).

Recipients may include existing Shareholders or new investors, but not persons who are related parties or associates of related parties of the Company.

(g) **Previous issues under the Additional Issuance Capacity**

The Company has not used any of the previous Additional Issuance Capacity in the 12 months prior to the date of the Meeting.

5.3 □ Voting exclusion

At the time of dispatching this Notice, the Company is not proposing to make an issue of Equity Securities under the Additional Issuance Capacity, and a voting exclusion statement is therefore not included in this Notice.

6. □ Resolution 5 – Enable the issue of Equity Incentives under an Employee Incentive Scheme – EchoIQ Equity Incentive Plan

6.1 □ General

The Company has in the past adopted employee incentive schemes titled 'Incentive Option Plan' (**Option Plan**). Shareholders approved the issue of Options under the Option Plan being made an exception from the Placement Capacity in Listing Rule 7.1 at the General Meeting held on 8 August 2019 the Options Plan, under Listing Rule 7.2 exception 9. That approval lasted for a period of 3 years from the date of the meeting.

The Company is adopting a new employee incentive scheme to replace the Option Plan titled 'EchoIQ Equity Incentive Plan' (**New Incentive Plan**), and no further issues will be made under the Option Plan. This New Incentive Plan will permit the Company to issue both options and performance rights (**Equity Incentives**), and will reflect changes to the Corporations Act in respect

of the offer and issue of equity securities under employee incentive schemes that came into effect on 1 October 2022. The Company is seeking Shareholder approval under Listing Rule 7.2 exception 13(b) so that any issues of Equity Incentives under the New Incentive Plan for a period of 3 years from the date of the Meeting will be an exception from Listing Rule 7.1.

The objective of the New Incentive Plan is to attract, motivate and retain key employees and it is considered by the Company that the implementation of the Plan and future issue of Equity Incentives under the Plan will provide selected directors and employees with the opportunity to participate in the future growth of the Company.

6.2 ASX Listing Rules 7.1 and 7.2 Exception 13

ASX 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 (**Placement Capacity**).

Certain issues of equity securities are exempt from the restrictions of ASX Listing Rule 7.1, and are effectively disregarded for the purposes of determining the number of equity securities that a listed company has issued within a 12 month period.

ASX Listing Rule 7.2 Exception 13 creates an exception from ASX Listing Rule 7.1 for the issue of equity securities pursuant to an employee incentive scheme for a period of 3 years after either:

- the listing of the company, provided that the terms of the employee incentive scheme and the maximum number that may be issued under the scheme were set out in the company's listing prospectus; or
- shareholders have approved the issue of securities under the employee incentive scheme being an exception from ASX Listing Rule 7.1, provided that the notice of meeting included a summary of the employee incentive scheme and certain required disclosures about the number of securities previously issued under the scheme, and the maximum number that may be issued under the scheme.

The exemption is only available for the issue of equity securities under the employee incentive scheme up to the maximum number stated in the prospectus or notice of meeting, as applicable. The exemption also ceases to be available if there is a material change to the terms of the employee incentive scheme after shareholder approval has been obtained.

6.3 Effect of the Resolution

Resolution 5 seeks Shareholder approval for the issue of Equity Incentives under the New Incentive Plan to be an exception from ASX Listing Rule 7.1 for a period of 3 years from the date of the Meeting.

If Shareholders approve this Resolution, any issue of Equity Incentives under the New Incentive Plan over the 3 years after the date of the Meeting (up to the maximum number calculated as set out in Section 6.6.3 will not use up a portion of the Company's Placement Capacity when that issue is made. This means that the Company will preserve its flexibility to issue equity securities without seeking Shareholder approval if and when it grants Options or Performance Rights under the New Incentive Plan.

It should be noted that if this Resolution is passed, the Company will only be able to issue Equity Incentives under the Plan to eligible participants who are unrelated parties without seeking prior Shareholder approval. Any proposed issue of Equity Incentives to a Director or related party, or any of their associates, under the New Incentive Plan will require prior Shareholder approval under ASX Listing Rule 10.14.

If Shareholders do not approve this Resolution, the Company may still decide in future to grant Equity Incentives to eligible employees and consultants who are unrelated parties under the New Incentive Plan, but each such issue will not be exempt from ASX Listing Rule 7.1 and will therefore use up a portion of the Company's Placement Capacity at the relevant time the issue is made (unless another exemption from ASX Listing Rule 7.1 is applicable to such issue of equity securities). The issue of Equity Incentives under the New Incentive Plan in those circumstances would therefore reduce the number of equity securities that the Company is able to issue using its Placement Capacity without seeking shareholder approval.

6.4 Key terms and conditions of the EchoIQ Equity Incentive Plan

A summary of the key terms and conditions of the New Incentive Plan is set out in Schedule 1.

6.5 Directors' recommendation

Approval of this Resolution will enable the Company to preserve its flexibility under its Placement Capacity when it issues Equity Incentives under the New Incentive Plan for the period of 3 years after the date of the Meeting. Directors are eligible to be offered Equity Incentives under the New Incentive Plan, however, any proposed grant of Equity Incentives to a Director or their associates requires prior Shareholder approval under ASX Listing Rule 10.14 before it can be issued, and the passing of this Resolution alone will not enable the Company to issue any Equity Incentives to a Director or their associates.

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

6.6 Technical information required by ASX Listing Rule 7.2 Exception 13

Pursuant to and in accordance with ASX Listing Rule 7.2 Exception 13, the following information is provided in relation to this Resolution:

- 6.6.1 a summary of the New Incentive Plan is set out at Schedule 1;
- 6.6.2 the Company has not yet issued any Equity Securities under the New Incentive Plan. The Company issued a total of 28,000,000 Options, with various exercise prices and expiry dates, under the Option Plan to employees and contractors over the three years following approval of the Option Plan by Shareholders under Listing Rule 7.2 exception 9 at the General Meeting on 8 August 2019; and
- 6.6.3 the maximum number of Equity Incentives to be issued under the New Incentive Plan (other than issues approved by Shareholders under ASX Listing Rule 10.14) following approval under this Resolution at any given time, unless otherwise approved by Shareholders, will be 21,534,760 (being 5% of the number of the Company's fully paid ordinary shares on issue as at the date of this Notice - 430,695,213 Shares).

7. Resolutions 6 to 8 – Approval of issue of Options to Directors

7.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 10,000,000 Options to Andrew Grover, Steve Picton, and Steve Formica (or their respective nominees) (the **Related Party Participants**) on the terms and conditions set out below (**Director Options**).

Resolutions 6 to 8 seek Shareholder approval for the issue of the Director Options.

Shareholders should note that each of Resolutions to approve the issue of Options to each Director is a separate resolution which is specific to the named Director, and that these resolutions are not inter-conditional. Shareholders may decide to vote in favour of all three of these resolutions, or against all three of these resolutions, or any combination of voting in favour of one or more and

against others.

7.2 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.

The issue of the Director Options to the Related Party Participants constitutes giving a financial benefit to related parties. Andrew Grover, Steve Picton and Steve Formica are each a related party of the Company by reason of being a Director.

Section 210 of the Corporations Act provides that shareholder approval under section 208 is not required if the financial benefit to be provided to the related party is on terms that would be reasonable in the circumstances if the company and the related party were dealing at arm's length, or are less favourable than those terms.

Section 211 of the Corporations Act provides that shareholder approval under section 208 is not required if the financial benefit to be provided to the related party is remuneration as an officer or employee of the company and to give remuneration would be reasonable given the circumstances of the company giving the remuneration and the related party's circumstances (including responsibilities involved in the office or employment).

Section 195 of the Corporations Act provides that a director of a public company must not vote or be present during meetings of directors when matters in which that director holds a 'material personal interest' are being considered. The Directors who are proposed to receive Director Options do not have a material personal interest in the Resolutions other than the Resolution to issue Director Options to himself. However, in the interests of good corporate practice consistent with ASIC Regulatory Guide 76 (Table 2) for directors to avoid making a recommendation for resolutions about each other's remuneration as they may have a conflict of interest) the Directors who are proposed to receive Director Options have not considered whether an exception set out in sections 210 to 216 of the Corporations Act applies to these Resolutions. As there was not a quorum at the Board to consider whether the arm's length or reasonable remuneration exceptions under Sections 210 or 211 applied, the Board has determined in accordance with section 195(4) of the Corporations Act to seek Shareholder approval for the issue of the Director Options.

7.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, an entity must not issue, or agree to issue, equity securities to:

- (a) a related party;
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the entity;
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holding in the entity and who has nominated a director to the board pursuant to a relevant agreement which gives them the right or expectation to do so;
- (d) an associate of a person referred to in paragraphs (a), (b), or (c) above; or

- (e) a person whose relationship with the entity or a person referred to in any of paragraphs (a) to (d) above is such that, in ASX's opinion the issue or agreement should be approved by securityholders,

unless it obtains the approval of its ordinary security holders.

The issue of the Director Options to the Related Party Participants the subject of Resolutions 6 to 8 inclusive falls within ASX Listing Rule 10.11.1 (as set out in (a) or (d) above) and does not fall within any of the exceptions in ASX Listing Rule 10.12. The proposed issue of Director Options to each separate Director (or his nominee) therefore requires Shareholder approval.

7.4 ASX Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 4.2.

An issue of Equity Securities that is approved under Listing Rule 10.11 does not require approval under Listing Rule 7.1.

7.5 Effect of the Resolutions

If any or all of Resolutions 6 to 8 inclusive are passed, then the Company will be able to proceed with the issue of Director Options to the Director the subject of each of the Resolutions that is passed. The Company will not be able to proceed with an issue to a Director (or his nominee) if the Resolution specific to that Director is not passed. The Resolutions 5 to 8 are not inter-conditional.

Resolution 6 – Andrew Grover

If Resolution 6 is passed, the Company will be able to proceed with the issue of Director Options to Andrew Grover (or his nominee).

If Resolution 6 is not passed, the Company will not be able to issue Director Options to Andrew Grover (or his nominee). The Company may have to consider alternative methods of providing incentivisation or remuneration to Mr Grover, which may take the form of cash-based payments, which would potentially reduce the Company's cash reserves.

Resolution 7 – Steve Formica

If Resolution 7 is passed, the Company will be able to proceed with the issue of Director Options to Steve Formica (or his nominee).

If Resolution 7 is not passed, the Company will not be able to issue Director Options to Steve Formica (or his nominee). The Company may have to consider alternative methods of providing incentivisation or remuneration to Mr Formica, which may take the form of cash-based payments, which would potentially reduce the Company's cash reserves.

Resolution 8 – Steve Picton

If Resolution 8 is passed, the Company will be able to proceed with the issue of Director Options to Steve Picton (or his nominee).

If Resolution 8 is not passed, the Company will not be able to issue Director Options to Mr Picton (or his nominee). The Company may have to consider alternative methods of providing incentivisation or remuneration to Mr Picton, which may take the form of cash-based payments, which would potentially reduce the Company's cash reserves.

Resolutions 6 to 8 inclusive are ordinary resolutions.

7.6 Board Recommendation

Given either the material personal interest of a Director in the Resolution expressly relevant to them and in the interests of good corporate practice consistent with ASIC Regulatory Guide 76 (Table 2) for directors to avoid making a recommendation for resolutions about each other's remuneration as they may have a conflict of interest), Andrew Grover, Steve Picton and Steve Formica do not consider it appropriate to give a recommendation on any of Resolutions 6 to 8 inclusive.

7.7 Technical information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of the Director Options the subject of Resolutions 6 to 8:

- (a) the Director Options will be issued to each of the following Directors:
 - (i) Resolution 6: Andrew Grover (or his nominee(s)); and
 - (ii) Resolution 7: Steve Formica (or his nominee(s));
 - (iii) Resolution 8: Steve Picton (or his nominee(s));
- (b) each of Andrew Grover, Steve Formica and Steve Picton falls within the category of related party of the Company under Listing Rule 10.11.1:
 - (i) Resolution 6: Andrew Grover is a related party by reason of being a Director of the Company;
 - (ii) Resolution 7: Steve Formica is a related party by reason of being a Director of the Company; and
 - (iii) Resolution 8: Steve Picton is a related party by reason of being a Director of the Company;
- (c) the maximum number of Director Options to be issued to be issued to each Director (or his nominee(s)) is as follows:
 - (i) Resolution 6 (Andrew Grover (or his nominee(s))): 3,000,000 Class A Director Options and 3,000,000 Class B Director Options;
 - (ii) Resolution 7 (Steve Formica (or his nominee(s))): 1,000,000 Class A Director Options and 1,000,000 Class B Director Options; and
 - (iii) Resolution 8 (Steve Picton (or his nominee(s))): 1,000,000 Class A Director Options and 1,000,000 Class B Director Options;
- (d) The terms of the Director Options are the same for each Director as follows
 - (i) Resolution 6 (Andrew Grover (or his nominee(s))): Class A Director Options will have an exercise price of \$0.30 per Option and the Class B Director Options will have an exercise price of \$0.50 per Option. The expiry date for both classes of Director Options will be three (3) years after their issue date. The Director Options will otherwise be on the terms and conditions set out in Schedule 2
 - (ii) Resolution 7 (Steve Formica (or his nominee(s))): Class A Director Options will have an exercise price of \$0.30 per Option and the Class B Director Options will have an exercise price of \$0.50 per Option. The expiry date for both classes of Director Options will be three (3) years after their issue date. The Director Options will otherwise be on the terms and conditions set out in Schedule 2;

- (iii) Resolution 8 (Steve Picton (or his nominee(s)): Class A Director Options will have an exercise price of \$0.30 per Option and the Class B Director Options will have an exercise price of \$0.50 per Option. The expiry date for both classes of Director Options will be three (3) years after their issue date. The Director Options will otherwise be on the terms and conditions set out in Schedule 2;
- (e) the Director Options will be issued by the following dates:
 - (i) Resolution 6 (Andrew Grover (or his nominee(s)): no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
 - (ii) Resolution 7 (Steve Formica (or his nominee(s)): no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules); and
 - (iii) Resolution 8 (Steve Picton (or his nominee(s)): no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules),

It is intended that, subject to Shareholder approval for the relevant issue having been obtained, the Director Options will all be granted on the same date;

- (f) the Director Options will be issued for the following consideration:
 - (i) Resolution 6 (Andrew Grover (or his nominee(s)): nil cash consideration;
 - (ii) Resolution 7 (Steve Formica (or his nominee(s)): nil cash consideration; and
 - (iii) Resolution 8 (Steve Picton (or his nominee(s)): nil cash consideration.

Accordingly, no funds will be raised from the issue of any Director Options. The purpose of the issue is in each case to provide an equity incentive as part of the remuneration package for each of the Directors;

- (g) (for each of Resolutions 6 to 8): the Director Options are being offered as an incentive-based component of the relevant Director's remuneration package which is considered a cost-effective remuneration practice and 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. In addition, it is considered that the grant of the Director Options will align the interests of the Directors with those of Shareholders;
- (h) the current total remuneration package of each of the Directors (before the issue of the Director Options the subject of Resolutions 6 to 8 inclusive is as follows:
 - (i) Andrew Grover (subject of Resolution 6)

Salary (exclusive of superannuation)	\$240,000 per annum
Superannuation	\$25,200
Total	\$265,200
Options	
<i>(Options issued with Shareholder approval at the general meeting held on 31 May 2021)</i>	5,000,000 Options exercisable at \$0.05 each on or before 31 May 2024 <i>These Options were issued as part of the Director's remuneration for the year ended 30 June 2021 and were valued at fair value of \$0.0584 at the date of grant (31 May</i>

	<i>2021). Refer to the Remuneration Report and note 22 to consolidated Financial Report for year ended 30 June 2021. Total value: \$291,958.</i>
Director Options / <i>(approved by shareholders at 2022 AGM held on 29 November 2021)</i>	15,000,000 Director Options exercisable at \$0.25 each on or before 17 December 2024 <i>These Options were issued as part of the Director's remuneration for the year ended 30 June 2022 and were valued at fair value of \$0.0584 each at the date of grant (29 November 2021). Refer to the Remuneration Report and note 22 to the consolidated Financial Report for the year ended 30 June 2022. Total value: \$873,931.</i>
Director Options <i>(subject to shareholder approval of Resolution 6)</i>	3,000,000 Class A Director Options and 3,000,000 Class B Director Options <i>Refer to the valuation of these Director Options in section 7.8(d) below]</i>

(ii) Steve Formica (subject of Resolution 7)

Salary (exclusive of superannuation)	\$66,000 per annum
Superannuation	\$6,930
Total	\$72,930
Options	
<i>(Options issued with Shareholder approval at the general meeting held on 31 May 2021)</i>	5,000,000 Options exercisable at \$0.05 each on or before 31 May 2024 <i>These Options were issued as part of the Director's remuneration for the year ended 30 June 2021 and were valued at fair value of \$0.0584 at the date of grant (31 May 2021). Refer to the Remuneration Report and note 22 to consolidated Financial Report for year ended 30 June 2021. Total value: \$291,958.</i>
Director Options <i>((approved by shareholders at 2021 AGM held on 29 November 2021)</i>	10,000,000 Director Options exercisable at \$0.25 each on or before 17 December 2024. <i>These Options were issued as part of the Director's remuneration for the year ended 30 June 2022 and were valued at fair value of \$0.0584 at the date of grant (29 November 2021) Refer to the Remuneration Report and note 22 to the consolidated Financial Report for the year ended 30 June 2022. Total value: \$582,621</i>
Director Options <i>(subject to shareholder approval of Resolution 6)</i>	1,000,000 Class A Director Options and 1,000,000 Class B Director Options <i>Refer to the valuation of these Director Options in section 7.8(d) below]</i>

(iii) Steve Picton (subject of Resolution 8)

Salary (exclusive of superannuation)	\$45,000 per annum
Superannuation	\$4,725
Total	\$49,725
Options	
<i>These Options were issued to Mr Picton on 20 October 2021 in</i>	2,000,000 Options exercisable at \$0.25 each on or before 29 October 2024 <i>These Options were issued as part of the Director's remuneration</i>

<i>connection with his appointment to the Board.</i>	<i>for the year ended 30 June 2022 and were valued at fair value of \$0.0636 at the date of grant (29 October 2021). These options are subject to a vesting condition of 2 years' service as a director. Refer to the Remuneration Report and note 22 to the consolidated Financial Report for the year ended 30 June 2022. Total value: \$42,428</i>
Director Options <i>(subject to shareholder approval of Resolution 7)</i>	1,000,000 Class A Director Options and 1,000,000 Class B Director Options <i>Refer to the valuation of these Director at Section 7.8(d))</i>

7.8 Technical information required by Chapter 2E of the Corporations Act

Pursuant to and in accordance with section 219 of the Corporations Act, the following information (in addition to the information provided in Section 7.7) is provided in relation to the issue of the Director Options the subject of Resolutions 6 to 8:

- (a) the Director Options will be issued to each of the Directors specified in Section 7.7(a);
- (b) the nature of the financial benefit being provided is the Director Options. The quantity and terms of the Director Options are set out in Sections 7.7(c) and 7.7(d);
- (c) each Director's interests in the Resolutions, and their reasons for not giving a recommendation on these Resolutions, is set out in Section 76;
- (d) the value of the Director Options, based on a valuation completed by internal Company management using the Black & Scholes option model and based on the assumptions, is set out below.

Assumption	<i>Class A Director Options</i>	<i>Class B Director Options</i>
Valuation Date	3 October 2022	3 October 2022
Exercise price	\$0.30	\$0.50
Share price	\$0.17	\$0.17
Term (years)	3	3
Risk free interest rate	3.57%	3.57%
Volatility (expected)	73.35%	73.35%
Indicative Value (\$) (per Director Option) <i>(rounded to fourth decimal place)</i>	\$0.0573	\$0.0377
Quantity	5,000,000	5,000,000
Value (\$) (Total)	286,727	188,748
Value \$(per Director)		
Andrew Grover	\$172,036	\$113,249
Steve Formica	\$57,345	\$37,750
Steve Picton	\$57,345	\$37,750
Total Value	\$286,726	\$188,749

- (e) the relevant interests in securities of the Company of the Directors the subject of Resolutions 6 to 8 are set out below:

Director	Shares	Options¹
Andrew Grover ¹	29,116,414	4,750,000 Options exercisable at \$0.08 each on or

		before 30 June 2023 5,000,000 Options exercisable at \$0.04 each on or before 31 May 2024 15,000,000 Options exercisable at \$0.25 each on or before 17 December 2024
Steve Formica	20,166,667 ²	3,750,000 Options exercisable at \$0.08 each on or before 30 June 2023 ³ 5,000,000 Options exercisable at \$0.05 each on or before 31 May 2024 ⁴ 10,000,000 Options exercisable at \$0.25 each on or before 17 December 2024 ⁵
Steve Picton	21,114,854 ⁶	2,000,000 Options exercisable at \$0.25 each on or before 29 October 2024 ⁶

1. These securities are directly held by A22 Pty Ltd, a company wholly-owned and controlled by Mr Grover's spouse. Mr Grover has no relevant interest in these securities and this disclosure is made in the interests of good governance practices.
2. The registered holders of these shares are Stevsand Investments Pty Ltd <Steven Formica Family A/c> and Formica Investments Pty Ltd<Formica Family Super Fund>, entities associated with Mr Formica, in the following proportions: Stevsand Investments Pty Ltd <Steven Formica Family A/c>: 17,000,000 shares; Formica Investments Pty Ltd<Formica Family Super Fund>: 3,166,667 shares.
3. Registered holders: Stevsand Investments Pty Ltd <Steven Formica Family A/c> (3,500,000) and Formica Investments Pty Ltd<Formica Family Super Fund> (250,000).
4. Registered holder: Stevsand Investments Pty Ltd <Steven Formica Family A/c>.
5. Registered holder: Formica Investments Pty Ltd<Formica Family Super Fund>.
6. Registered holder: Richmond Bridge Superannuation Pty Ltd <Richmond Bridge Super A/C>.

- (f) the current total annual remuneration from the Company to the Directors the subject of Resolutions 6 to 8 is set out in Section 7.7 (h);
- (g) if the Director Options are granted and then exercised, a total of 10,000,000 Shares would be issued. This will increase the number of Shares on issue from 430,695,213 (being the number of Shares on issue at the date of this Notice) to 440,695,213 (assuming that no other Options are exercised or other convertible securities converted, and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of approximately 2.32%, comprising approximately 1.39 % by Andrew Grover, 0.465% by Steve Formica, and 0.465% by Steve Picton.

The market price for Shares during the term of the Director Options would normally determine whether or not the Director Options are exercised. If, at any time any of the Director Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Director Options, there may be a perceived cost to the Company.

As at 14 October 2022, the exercise price of the Class A Director Options (\$0.30) represents a premium of approximately 87.5% to the trading price of the Shares on ASX, and the exercise price of the Class B Director Options (\$0.50) represents a premium of approximately 212.5% to that trading price.

The highest and lowest closing prices of Shares on ASX during the 12 months preceding the date of this Notice, and the closing price on the trading day before the date of this Notice, are set out below:

	Price	Date
Highest	\$0.185	15 February 2022
Lowest	\$0.094	21 June 2022
Last	\$0.17	14 October 2022

- (h) the Board acknowledges the grant of the Director Options to Mr Formica and Mr Picton (who are Non-Executive Directors) is contrary to Recommendation 8.2 of The Corporate Governance Principles and Recommendations (4th Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of the Director Options to Mr Formica and Mr Picton is reasonable in the circumstances for the reasons set out in paragraph (j);
- (i) the primary purpose of the grant of the Director Options is to provide a performance-linked incentive component in their remuneration package to motivate and reward their performance in their respective roles as Directors;
- (j) the Directors consider the grant of the Director Options is a reasonable and appropriate method to provide cost effective remuneration as:
- (i) 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;
 - (ii) the grant of the Director Options will align the interests of the Directors with those of Shareholders; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Director Options upon the terms proposed.

In forming their reasoning and determining the quantity of Director Options to be granted each Director considered:

- the experience and role of each other Director;
 - the cash remuneration of each other Director;
 - the market price of Shares;
 - current market remuneration practices;
 - the exercise price, which is to be set at \$0.30 in the case of the Class A Director Options and \$0.50 in the case of the Class B Director Options, a representing a premium of approximately 76.47% and 194.11%, respectively, to the closing price of the Company's Shares on 14 October 2022);
 - expiry date of those Director Options; and
 - the additional workload and commitment that Mr Grover, Mr Picton, and Mr Formica have been required to take on and will continue to undertake in connection with the development of the EchoIQ business; and
- (l) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 6 to 8.

8. Resolution 9 – Replacement of Constitution

8.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of its shareholders.

Resolution 9 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed Australian public company reflecting the current provisions of the Corporations Act and ASX Listing Rules, including changes since the Company's existing Constitution was last amended in November 2019.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available upon request to the Company (+61 2 9159 3719 or +61 8 6245 2050).

8.2 Reason for the proposed amendments

Use of technology at general meetings (clause 14)

Pursuant to amendments to the Corporations Act in 2022, companies are permitted to hold virtual only meetings subject to certain conditions.

If Resolution 9 is approved, the Constitution will provide greater flexibility and clarity around how the Company may conduct 'hybrid' or 'virtual' meetings in the future. Consequential provisions are also included to ensure that 'online' attendees are treated as being present at the meeting and are counted for the purposes of determining a quorum and to confirm that the Directors may prescribe the detailed procedures by which meetings held with technological assistance may be conducted.

The Proposed Constitution will also allow the Company to provide notice of meeting and associated documents to Shareholders by a URL link.

Board Recommendation

The Board considers the proposed amendments are in the best interests of Shareholders because they provide flexibility, clarity and efficiency in relation to the manner in which meetings can be convened and held.

Minimum Shareholding (clause 3)

Clause 3 of the Constitution outlines how the Company can manage shareholdings which represent an "unmarketable parcel" of shares, being a shareholding that is less than \$500 based on the closing price of the Company's Shares on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with "unmarketable parcels" outlined in the ASX Listing Rules such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution outlines in detail the process that the Company must follow for dealing with unmarketable parcels.

Partial (proportional) takeover provisions (clause 37)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

It is noted that the same provision was included in the Company's current Constitution when it was adopted by Shareholders in 2018. The proportional takeover clause ceases to have effect on the third anniversary of the date of the adoption or last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
 - (i) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
 - (ii) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders

which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the inclusion of the proportional takeover provisions in the Proposed Constitution is in the interests of Shareholders.

8.3 Board Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 9.

9. ☐ Resolution 10 – Appointment of Auditor

KPMG, which is the Company's current auditor, has given notice of its intention to resign as auditor of the Company to ASIC (under section 329(5) of the Corporations Act).

Upon receipt of ASIC's consent to their resignation, KPMG has advised that it will submit a notice of resignation to the Company in accordance with section 329(5) of the Corporations Act, such resignation to take effect from the date of the Meeting

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

PKF has given its written consent to act as the Company's auditor, subject to Shareholder approval and the resignation of KPMG.

If Resolution 10 is passed, and subject to ASIC's consent to the resignation of KPMG being received to allow the resignation to be effective on or before the Meeting, the appointment of PKF as the Company's auditors will take effect from the close of the Annual General Meeting.

Where ASIC's consent to the resignation of KPMG is not received in time to allow the resignation of KPMG to be effective on or before the Meeting, the appointment of PKF as the Company's auditors will be made by the Directors when the ASIC consent is obtained. The appointment of PKF will then continue until the next annual general meeting of the Company, at which time Shareholder approval will be sought.

Glossary

\$ means Australian dollars.

Additional Issuance Capacity has the meaning given in Section 4.1

AEDT means Australian Eastern Daylight Savings Time as observed in Sydney, New South Wales.

AEST means Australian Eastern Standard Time.

Annual General Meeting or **Meeting** means the annual general meeting of the Company convened by this Notice.

Annual Report means the Directors' Report, the Financial Report and Auditor's Report in respect to the financial year ended 30 June 2022.

Annexure means an annexure to this Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

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

AWST means Western Standard Time as observed in Perth, Western Australia.

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

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

- (a) a spouse or child of the member;
- (a) a child of the member's spouse;
- (b) a dependent of the member or the member's spouse;
- (c) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (d) a company the member controls; or
- (e) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means EchoIQ Limited (ACN 142 901 353).

Constitution means the constitution of the Company.

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

Director Options means the Options the subject of Resolutions 6 to 8.

Directors means the current directors of the Company.

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

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

Explanatory Statement means the explanatory statement accompanying the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's Report.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

Schedule 1 – Key Terms of Equity Incentive Plan

The principal terms of the EchoIQ Equity Incentive Plan are summarised below:

- (a) **Eligibility:** Participants in the Plan may be:
 - (i) an employee or Director (whether executive or non-executive) of, or any individual who provides services to, the Company and any Associated Body Corporate of the Company (each a **Group Company**);
 - (ii) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming an Eligible Participant under subparagraph (i); or
 - (iii) a person prescribed by the Corporations Regulations for the purposes of section 1100L(1)(a)(iv) of the Corporations Actwho is declared by the Board to be eligible to receive grants of Equity Incentives under the Plan (**Eligible Participants**).
- (b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for up to a specified number of Equity Incentives, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines.
- (c) **Limit on Offers:** The Company must have reasonable grounds to believe, when making an Offer to which the limit on Offers as set out in section 1100V of the Corporations Act applies, that the number of Shares to be received on exercise of Equity Incentives offered under such an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made as covered by section 1100V(1)(b) of the Corporations Act at any time during the 3 year period ending on the day the Offer is made, will not exceed, if the Constitution specifies an issue cap percentage, that percentage, otherwise, the greater of:
 - (i) 5% of the total number of Shares on issue at the start of the day the Offer is made; or
 - (ii) such other percentage prescribed by the Corporations Regulations for the purposes of section 1100V(2)(b)(iii).
- (d) **Issue price:** Unless the Equity Incentives are Options quoted on the ASX, Equity Incentives issued under the Plan will be issued for nil cash consideration.
- (e) **Vesting Conditions:** An Equity Incentive may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Equity Incentive.
- (f) **Vesting:** The Board may in its absolute discretion (except in respect of a Change of Control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Equity Incentives have been granted under the Plan or their nominee where the Equity Incentives have been granted to the nominee of the Eligible Participant), resolve to waive any of the Vesting Conditions applying to Equity Incentives due to:
 - (i) Special Circumstances arising in relation to a Relevant Person in respect of those Equity Incentives; or
 - (ii) a Change of Control occurring; or
 - (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.

- (g) **Lapse:** An Equity Incentive will lapse upon the earlier to occur of:
- (i) an unauthorised dealing in, or hedging of, the Equity Incentive;
 - (ii) a Vesting Condition in relation to the Equity Incentive is not satisfied by its due date, or becomes incapable of satisfaction as determined by the Board in its sole discretion, unless the Board exercises its discretion to waive the Vesting Conditions and vest the Equity Incentive in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Equity Incentives to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iii) in respect of unvested Equity Incentive only, a Relevant Person ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Equity Incentive in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Equity Incentives to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iv) in respect of vested Equity Incentives only, a relevant person ceases to be an Eligible Participant and the Equity Incentive granted in respect of that person is not exercised within one (1) month (or such later date as the Board determines) of the date that person ceases to be an Eligible Participant;
 - (v) the Board deems that an Equity Incentive lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
 - (vi) in respect of unvested Equity Incentive only, the Company undergoes a Change of Control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Equity Incentive;
 - (vii) the expiry date of the Equity Incentive.
- (h) **Not transferrable:** Equity Incentives are only transferrable in Special Circumstances with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law, upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.
- (i) **Cashless exercise:** A Participant may, subject to the terms of any Offer, elect to exercise such vested Options by way of a 'cashless exercise'. Where a Participant makes such an election, rather than the Participant being required to pay the Option Exercise Price for each Option to be exercised, the Company will issue the Participant with a smaller number of Shares on the exercise of the Options representing the difference between the value of the Shares to be issued and the Option Exercise Price. Where the Options are exercised by a 'cashless exercise', the Company will only issue such number of Shares as is determined by the following formula (rounded down to a whole number of Shares):
- $$\text{Number of Options exercised} \times \frac{(\text{Closing Share Price} - \text{Option Exercise Price})}{\text{Closing Share Price}}$$
- Where **Closing Share Price** means the closing Share price on the date of receipt by the Company of the exercise notice for the Options.
- (j) **Shares:** Shares resulting from the exercise of the Equity Incentives shall, subject to any Sale Restrictions (refer paragraph (k)) from the date of issue, rank on equal terms with all other Shares on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.

- (k) **Quotation of Shares:** If Shares of the same class as those issued upon exercise of Equity Incentives issued under the Plan are quoted on the ASX, the Company will, subject to the Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any restriction period applying to the disposal of Shares ends.
- (l) **Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Equity Incentives, that a restriction period will apply to some or all of the Shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Equity Incentives up to a maximum of seven (7) years from the grant date of the Equity Incentives. In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such restriction period determined.
- (m) **No Participation Rights:** There are no participating rights or entitlements inherent in the Equity Incentives and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Equity Incentives.
- (n) **Change in exercise price or number of underlying securities:** Unless specified in the offer of the Equity Incentives and subject to compliance with the Listing Rules, an Equity Incentive does not confer the right to a change in exercise price (if any) or the number of underlying Shares over which the Equity Incentive can be exercised.
- (o) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Equity Incentive are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation.
- (p) **Amendments:** Subject to express restrictions set out in the Plan and complying with the Corporations Act, Listing Rules and any other applicable law, the Board may at any time by resolution amend or add to all or any of the provisions of the Plan, or the terms or conditions of any Equity Incentive granted under the Plan including giving any amendment retrospective effect.
- (q) **Trust:** The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Equity Incentives, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust. The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust. The Board may at any time amend all or any of the provisions of the Plan to effect the establishment of such a trust and the appointment of such a trustee.
- (r) **Definitions:** Capitalised terms used in the above summary are as defined in the Equity Incentive Plan, including:
- (i) **Associated Body Corporate** means:
- (A) a related body corporate (as defined in the Corporations Act) of the Company;
- (B) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (C) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.
- (ii) **Change of Control** means:

- (A) a bona fide Takeover Bid is declared unconditional and the bidder has acquired a Relevant Interest in more than 50% of the Company's issued Shares;
 - (B) a court approves, under section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
 - (C) in any other case, a person obtains Voting Power in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.
- (iii) **Relevant Person** means:
- (A) in respect of an Eligible Participant, that person; and
 - (B) in respect of a nominee of an Eligible Participant, that Eligible Participant.
- (iv) **Special Circumstances** means:
- (A) a Relevant Person ceasing to be an Eligible Participant due to:
 - i. death or Total or Permanent Disability of a Relevant Person; or
 - ii. Retirement or Redundancy of a Relevant Person;
 - (B) a Relevant Person suffering Severe Financial Hardship;
 - (C) any other circumstance stated to constitute "Special Circumstances" in the terms of the relevant offer made to and accepted by the Participant; or
 - (D) any other circumstances determined by the Board at any time (whether before or after the offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant.

Schedule 2 – Terms of Director Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Director Option will be :

(i) for the Class A Director Options, \$0.30; and

(ii) for the Class B Director Options, \$0.50

(each an **Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (AEST) 3 years from issue date. (**Expiry Date**).

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Vesting Conditions**

There are no vesting conditions.

(e) **Exercise Period**

The Options are exercisable at any time on and from the date the Vesting Condition is satisfied and on or prior to the Expiry Date (**Exercise Period**).

(f) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(g) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(h) **Timing of issue of Shares on exercise**

Following the Exercise Date and within the time period specified by the ASX Listing Rules, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of

Shares issued pursuant to the exercise of the Options.

If a notice delivered under paragraph (h)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued Shares of the Company.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price or number of underlying securities**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

Annexure A – Nomination of Auditor

4 October 2022

The Directors
EchoIQ Limited
Suite 9, 304 George Street
Sydney NSW 2000

I, ***Stevsand Investments Pty Ltd <Steven Formica Family A/c>*** being a member of EchoIQ Limited (**Company**), nominate PKF Perth in accordance with section 328B(1) of the *Corporations Act 2001* (Cth) (**Act**) to fill the office of auditor of the Company.

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

Signed and dated 4 October 2022



Steven Formica
4 October 2022

Echo IQ Limited

ABN 48 142 901 353

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (AEDT) on Saturday, 26 November 2022.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 181655

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Echo IQ Limited hereby appoint

☐ the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Echo IQ Limited to be held at Suite 404, Level 4, 309 George Street, Sydney, NSW 2000 on Monday, 28 November 2022 at 11:00am (AEDT) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 5, 6, 7 and 8 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 5, 6, 7 and 8 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman provided that the Chairman is not a "Restricted Party" for the purposes of the Resolution.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 5, 6, 7 and 8 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain			For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 6	Approval to Issue Options to Director – Andrew Grover	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Mr Steve Formica	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 7	Approval to Issue Options to Director – Steve Formica	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of previous agreement to issue Shares – Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8	Approval to Issue Options to Director – Steve Picton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of 10% Additional Issuance Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 9	Replacement of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Enable the issue of Equity Incentives under an Employee Incentive Scheme – EchoIQ Equity Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 10	Appointment of PKF as Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business (provided that the Chair is not a "Restricted Party" for the purposes of the Resolution). In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /
Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

