
MATRIX COMPOSITES & ENGINEERING LTD

ABN 54 009 435 250

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10:00am (WST)

DATE: Thursday, 23 November 2023

PLACE: 150 Quill Way, Henderson, Western Australia

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.

Should you wish to discuss the matters in this Notice of Meeting, please contact the Company Secretary on +61 8 9412 1200.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

The Meeting will be held at 150 Quill Way, Henderson, Western Australia on Thursday, 23 November 2023 at 10:00am (WST).

YOUR VOTE IS IMPORTANT

The business of the Meeting affects your shareholding in the Company, and your vote is important. Please take action by voting in person or by proxy.

VOTING ELIGIBILITY

Pursuant to Regulation 7.11.37 of the Corporations Regulations, the Directors have determined that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm (WST) on 21 November 2023. Shareholders registered after that time will be disregarded in determining eligibility to attend and vote at the Meeting.

VOTING IN PERSON

To vote in person, attend the Meeting on the date and at the time and place specified.

Under section 250D of the Corporations Act, a corporate Shareholder may appoint an individual as a representative to attend the Meeting and vote in person. If a corporate representative attends the Meeting, a signed 'Appointment of Corporate Representative' form must be produced prior to admission. Shareholders can download and fill out the 'Appointment of Corporate Representative' form from the website of the Company's share registry – www.linkmarketservices.com.au (under 'Resources' then 'Forms').

VOTING BY PROXY

To vote by proxy, please complete and sign the Proxy Form and return it:

- (a) by post to the Company's share registry, Link Market Services Limited, at Locked Bag A14, Sydney South NSW 1235;
- (b) by hand to the Company's share registry, Link Market Services Limited, at Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150;
- (c) by facsimile on +61 2 9287 0309; or
- (d) online by visiting www.linkmarketservices.com.au (you will be taken to have signed the Proxy Form if lodged in accordance with the instructions given on the website),

so that it is received by no later than 10:00am (WST) on 21 November 2023.

Proxy Forms received later than this time will be invalid.

BUSINESS OF THE MEETING

Notice is given that the Annual General Meeting of Shareholders will be held at 150 Quill Way, Henderson, Western Australia on Thursday, 23 November 2023 at 10:00am (WST).

The Explanatory Statement, which forms part of this Notice of Meeting, provides additional information on matters to be considered at the Meeting.

Terms and abbreviations used in this Notice of Meeting and the Explanatory Statement are defined in the Glossary.

AGENDA

ORDINARY BUSINESS

1. ANNUAL REPORT

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2023, which includes the Directors' Report, the Financial Report, and the Auditor's Report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

“That, for the purpose of section 250R(2) of the Corporations Act, Shareholders adopt the Remuneration Report for the financial year ended 30 June 2023.”

Voting Prohibition: In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member. However, the prohibition does not apply if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the Resolution, but expressly authorises the Chair to exercise the proxy even if the Resolution is connected, directly or indirectly, with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF MR STEVEN COLE AS A DIRECTOR

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

“That Mr Steven Cole, who retires by rotation in accordance with Rule 19.3 of the Constitution and Listing Rule 14.4, and being eligible, be re-elected as a Director.”

4. RESOLUTION 3 – APPROVAL OF EMPLOYEE AWARDS PLAN

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

“That, for the purpose of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled “Employee Awards Plan” and for the issue of securities under the Employee Awards Plan, 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 a person who is eligible to participate in the Employee Awards Plan or an Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition: 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:

- the person is either a member of the Key Management Personnel or a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if the person is the Chair and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

5. RESOLUTION 4 – ISSUE OF OPTIONS AND PERFORMANCE RIGHTS TO MR AARON BEGLEY

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

“That, subject to the passing of Resolution 3, the issue of 1,010,621 Options and 601,609 Performance Rights to Mr Aaron Begley, the Managing Director and Chief Executive Officer of the Company, is approved under and for the purposes of Listing Rule 10.14.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Equity Incentive Plan or an Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

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

- the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition: 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:

- the person is either a member of the Key Management Personnel or a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if the person is the Chair and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

6. RESOLUTION 5 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

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

“That the Company have the additional capacity to issue Equity Securities provided for in Listing Rule 7.1A.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder) or an Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

OTHER BUSINESS

To deal with any other business which may be brought before the Meeting in accordance with the Constitution and the Corporations Act.

BY ORDER OF THE BOARD



CAITLIN FLAHERTY

Joint Company Secretary

19 October 2023

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

The Explanatory Statement should be read in conjunction with the Notice of Meeting.

1. ANNUAL REPORT

In accordance with section 317 of the Corporations Act, the Directors must lay before the Company's AGM the Financial Report, the Directors' Report and the Auditor's Report for the last financial year that ended before the AGM (**Annual Report**).

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

At the Meeting, the Chair will allow a reasonable opportunity for Shareholders as a whole to:

- (a) discuss the Annual Report;
- (b) ask questions about, or make comments on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

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

may be submitted to companysec@matrixengineered.com no later than 10:00am (WST) on Thursday, 16 November 2023.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Remuneration Report sets out the remuneration policy of the Company and the remuneration arrangements in place for the Directors and senior management of the Company.

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

At the Meeting, the Chair will allow a reasonable opportunity for Shareholders as a whole to ask questions about, or make comments on, the Remuneration Report.

Under the Corporations Act, if a listed company receives a Strike at 2 consecutive AGMs, the company is required to put to shareholders at the second AGM a resolution on whether another meeting should be held (within 90 days) at which all directors of the company who were in office at the time the relevant Directors' Report was approved (excluding the managing director) must stand for re-election.

The Company did not receive a Strike at last year's AGM, therefore a resolution on whether another meeting should be held to consider the composition of the Board will not be put to Shareholders at this year's AGM.

2.2 Proxy restrictions

Pursuant to the Corporations Act, if you elect to appoint the Chair or another member of Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member, as your proxy to vote on Resolution 1, *you must direct the proxy how they are to vote*. Where you do not direct the Chair or another member of Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member, on how to vote on Resolution 1, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to Resolution 1.

3. RESOLUTION 2 – RE-ELECTION OF MR STEVEN COLE AS A DIRECTOR

3.1 General

Rule 19.3 of the Constitution provides that no Director, other than the managing director, may hold office without re-election beyond the third AGM of the Company following the meeting at which the Director was last elected or re-elected. Any Director who retires by rotation in accordance with Rule 19.3 of the Constitution is eligible for re-election.

Listing Rule 14.4 relevantly provides that a Director must not hold office (without re-election) past the third AGM following the Director's appointment or 3 years, whichever is longer.

Mr Cole was last re-elected as a Director at the 2020 AGM of the Company. Mr Cole therefore retires by rotation in accordance with the Constitution and the Listing Rules and, being eligible, seeks re-election as a Director.

If Resolution 2 is passed, Mr Cole will be re-elected as a Director. If Resolution 2 is not passed, Mr Cole will cease to be a Director at the conclusion of the Meeting.

3.2 Qualifications and experience

Mr Cole has over 40 years of legal, business, and corporate experience as well as a range of executive management and non-executive appointments. His extensive boardroom and board sub-committee experience includes ASX listed, statutory, proprietary and NFP organisations covering the industrial, financial, educational, professional services, health, local government, property management and development, and resources sectors. Mr Cole is Chairman of Neometals Limited and Primobius GmbH, Non-Executive Director of Bilton Canning Pty Ltd, Yourtoolkit.com Limited, and Reed Advanced Materials Pty Ltd. Mr Cole

was also previously WA State President and a national board member of the Australian Institute of Company Directors.

Mr Cole holds a Bachelor of Laws (Hons) and is a Fellow of the Australian Institute of Company Directors.

Mr Cole chairs the Audit Committee, and is also a member of the Nominations, Remuneration, and Risk and Sustainability Committees.

3.3 Board recommendation

The Board (excluding Mr Cole) recommends that Shareholders vote in favour of Resolution 2. The Chair intends to vote all undirected proxies in favour of Resolution 2.

4. RESOLUTION 3 – APPROVAL OF EMPLOYEE AWARDS PLAN

4.1 Background

The Company is proposing to adopt, and issue securities under, a new employee incentive scheme titled “Employee Awards Plan” (**Employee Awards Plan**).

The purpose of the Employee Awards Plan is to:

- (a) assist in the reward, retention, and motivation of Eligible Employees;
- (b) link the reward of Eligible Employees to performance and the creation of Shareholder value;
- (c) align the interests of Eligible Employees more closely with the interests of Shareholders by providing an opportunity for Eligible Employees to receive an equity interest in the form of Awards;
- (d) provide Eligible Employees with the opportunity to share in any future growth in value of the Company; and
- (e) provide greater incentive for Eligible Employees to focus on the Company's longer-term goals.

The Company proposes to adopt the Employee Awards Plan as a new employee incentive scheme to replace its existing scheme (approved by Shareholders at the 2020 AGM) following recent legislative changes, including the expiry of ASIC Class Order 14/1000 in early 2023.

4.2 General

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

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within 3 years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of Equity Securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain shareholder approval under Listing Rule 7.1. To do this, the Company is asking shareholders to approve the adoption of, and the issue of securities under, the Employee Awards Plan (up to the maximum number set out in section 4.3 of this Explanatory Statement) for a period of 3 years as an exception to Listing Rule 7.1 so that such issues do not use up any of the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

To this end, Resolution 3 seeks Shareholder approval for the adoption of, and issue of securities under, the Employee Awards Plan (up to the maximum number set out in section 4.3 of this Explanatory Statement) for a period of 3 years as an exception to Listing Rule 7.1.

If Resolution 3 is passed, the Company will be able to issue Awards to Eligible Employees under the Employee Awards Plan (up to the maximum number set out in section 4.3 of this Explanatory Statement) for a period of 3 years without using up any of the Company's 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

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

If Resolution 3 is not passed, the Company may still issue Awards as incentives to Eligible Employees (other than Directors), however those Equity Securities will count towards the Company's 15% placement capacity under Listing Rule 7.1.

4.3 Specific information required by Listing Rule 7.2 (Exception 13(b))

In accordance with the requirements of Listing Rule 7.2 (Exception 13(b)), the following information is provided in relation to Resolution 3:

- (a) a copy of the Employee Awards Plan is annexed to this Notice of Meeting as Annexure A;
- (b) the Company has not issued any Awards under the Employee Awards Plan as this is the first time that Shareholder approval is being sought for the adoption of the new employee incentive scheme;
- (c) the maximum number of Equity Securities proposed to be issued under the Employee Awards Plan following Shareholder approval is 10,900,000 Awards which equates to approximately 5% of the Company's issued capital as at the date of this Notice of Meeting; and
- (d) a voting exclusion statement is included in the Notice of Meeting.

4.4 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 3. The Chair intends to vote all undirected proxies in favour of Resolution 3.

5. RESOLUTION 4 – ISSUE OF OPTIONS AND PERFORMANCE RIGHTS TO MR AARON BEGLEY

5.1 General

The Company is proposing to issue 1,010,621 Options and 601,609 Performance Rights to Mr Aaron Begley pursuant to Resolution 4 (**Issue**).

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme:

- (a) a director of the company (Listing Rule 10.14.1);
- (b) an Associate of a director of the company (Listing Rule 10.14.2); or
- (c) a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders (Listing Rule 10.14.3),

unless it obtains the approval of its shareholders.

The Issue falls within Listing Rule 10.14.1 above and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolution 4 seeks the required shareholder approval to the Issue under and for the purposes of Listing Rule 10.14.

If Resolution 4 is passed, the Company will be able to proceed with the Issue which has the potential to increase the number of Shares on issue from 218,146,168 to 219,758,398 (assuming all vesting conditions attached to the relevant Awards are satisfied and the Awards vest and are exercised, and no other Shares are issued), with the effect that the shareholdings of existing Shareholders will be diluted by approximately 0.73%.

If Resolution 4 is not passed, the Company will not be able to proceed with the Issue. In that scenario, the potential increase in the number of Shares on issue and consequential dilution of existing shareholdings will not occur, however the Company may need to consider alternative remuneration arrangements for Mr Begley.

5.2 Terms of Options and Performance Rights

Pursuant to the Issue, the Company is proposing to issue Awards to Mr Begley under the Employee Awards Plan having a combined value of approximately \$200,000.

Based on the Monte Carlo valuation performed by Stantons and approved by the Board, the value of each Option to be issued to Mr Begley is \$0.0989 and the value of each Performance Right to be issued to Mr Begley is \$0.1662.

The assumptions underlying the valuation of the Awards to be issued to Mr Begley are set out in the table below.

	Options	Performance Rights
Methodology	Monte Carlo	Monte Carlo
Number of iterations	100,000	100,000
Assumed grant date	1 July 2023	1 July 2023
Assumed spot price (\$)	0.268	0.268
Assumed expiry date	31 December 2028	31 December 2026
VWAP hurdle (\$)	0.350	0.350
Share price ceiling (\$)	2.50	2.50
Assumed vesting date	18 September 2026	18 September 2026
Exercise price (\$)	0.350	nil
Risk-free rate (%)	3.951	3.951
Volatility (%)	68.66	68.66
Dividend yield (%)	nil	nil
Fair value per security (\$)	0.0989	0.1662

Based on the applied valuation methodology, the type and number of Awards to be issued to Mr Begley is calculated as follows:

	Agreed value	Fair value per security	Number of securities
Options	\$100,000	\$0.0989	1,010,621
Performance Rights	\$100,000	\$0.1662	601,609

The Options and Performance Rights will be issued for nil cash consideration and will both be subject to:

- (a) a vesting condition that Mr Begley complete 3 years' continuous service with the Company from 1 July 2023; and
- (b) a performance hurdle that the Shares achieve a 14-day VWAP of at least \$0.35 following release of the Financial Report for the year ending 30 June 2026.

In addition, the Options will have an exercise price of \$0.35. For the avoidance of doubt, the exercise price of the Performance Rights is nil. The expiry date of all Awards to be issued to Mr Begley will be 3 years from the date of issue.

If, at the vesting date, the 5-day VWAP exceeds \$2.50, then the number of Options and Performance Rights to vest will be scaled back pro rata and equally between them to such number as would deliver to Mr Begley an equivalent financial outcome as would be the result had that 5-day VWAP been \$2.50.

Assuming that the vesting conditions and performance hurdles are met, the value attributed to the Awards to be issued to Mr Begley is set out in the table below (assuming a price per Share of \$0.35, \$0.50, \$1.00, and \$2.50).

Target Share Price	\$0.35		\$0.50		\$1.00		\$2.50	
Total Grant Value	\$200,000							
	Options	PRs	Options	PRs	Options	PRs	Options	PRs
Valuation	\$0.0989	\$0.1662	\$0.0989	\$0.1662	\$0.0989	\$0.1662	\$0.0989	\$0.1662
Award	1,010,621	601,609	1,010,621	601,609	1,010,621	601,609	1,010,621	601,609
Ex. Price / VWAP Hurdle	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35
Share Price/%uplift from 3 October 2023 base date (\$0.265	\$0.085 – 132%		\$0.235 – 189%		\$0.735 – 377%		\$2.235 – 943%	
Benefit	\$0.00	\$210,563	\$151,593	\$300,804	\$656,903	\$601,609	\$2,172,835	\$1,504,022
Share Conversion	N/A	601,609	1,010,621	601,609	1,010,621	601,609	1,010,621	601,609

If Mr Begley ceases employment with the Company before 30 June 2026 for any reason, then, subject to compliance with the Listing Rules and the Corporations Act, any unvested Awards, and any vested Awards that have not been exercised, will lapse on the date that Mr Begley ceases to be an employee of the Company subject to the Board making a determination to treat the Awards in a different way if the Board determines that the relevant circumstances warrant such treatment.

5.3 Specific information required by Listing Rule 10.15

In accordance with the requirements of Listing Rule 10.15, the following information is provided in relation to Resolution 4:

- (a) the person to whom the Awards will be issued is Mr Aaron Begley;
- (b) Mr Begley is a Director and therefore falls within Listing Rule 10.14.1;
- (c) the number of Awards proposed to be issued to Mr Begley under the Employee Awards Plan for which approval is being sought is:
 - (i) 1,010,621 Options; and
 - (ii) 601,609 Performance Rights;
- (d) Mr Begley's current total remuneration package is \$880,000 (inclusive of salary, superannuation, and short and long-term incentives);
- (e) no Awards have previously been issued to Mr Begley under the Employee Awards Plan;
- (f) a summary of the material terms of the Awards to be issued to Mr Begley is set out in section 5.2 of this Explanatory Statement. Awards are being issued to Mr Begley to provide an incentive component in his remuneration package to retain his services, motivate performance, and reward the achievement of performance hurdles within a specified period. The Board considers this to be a cost-effective remuneration practice which is reasonable given that the vesting conditions and performance hurdles will align the interests of Mr Begley with those of Shareholders. The Company considers that the Awards to be issued to Mr Begley have an approximate value of \$200,000;
- (g) the Awards will be issued to Mr Begley no later than 3 months after the date of the Meeting (or such later date as permitted by any ASX waiver or

modification of the Listing Rules), and it is anticipated that the Awards will be issued on one date;

- (h) the Awards will be issued to Mr Begley for nil cash consideration;
- (i) a copy of the Employee Awards Plan is annexed to this Notice of Meeting as Annexure A;
- (j) no loans will be made to Mr Begley in relation to the issue, vesting or exercise of the Awards;
- (k) details of any securities issued under the Employee Awards Plan will be published in the Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (l) any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Employee Awards Plan after Resolution 4 is approved and who were not named in the Notice of Meeting will not participate until approval is obtained under Listing Rule 10.14; and
- (m) a voting exclusion statement is included in the Notice of Meeting.

5.4 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that 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.

For the purposes of Chapter 2E of the Corporations Act, the issue of Awards to Mr Begley pursuant to Resolution 4 constitutes giving a financial benefit, and Mr Begley is a related party of the Company by virtue of being a Director.

The Board (excluding Mr Begley) has considered the application of Chapter 2E of the Corporations Act to the Issue and is of the view that, given the circumstances of the Company and Mr Begley's role and responsibilities with the Company, the financial benefit given by the Issue constitutes reasonable remuneration to Mr Begley for the purposes of the exception set out in section 211(1) of the Corporations Act.

Therefore, the Company is not seeking shareholder approval to the Issue under Chapter 2E of the Corporations Act in addition to the approval sought under Listing Rule 10.14.

5.5 Board recommendation

The Board (excluding Mr Begley) recommends that Shareholders vote in favour of Resolution 4. The Chair intends to vote all undirected proxies in favour of Resolution 4.

6. RESOLUTION 5 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

6.1 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 shareholders, by way of a special resolution passed at its AGM, to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

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

Resolution 5 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.

If Resolution 5 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further shareholder approval.

If Resolution 5 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without shareholder approval set out in Listing Rule 7.1.

This Resolution is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders entitled to vote on the Resolution.

6.2 Specific information required by Listing Rule 7.3A

In accordance with the requirements of Listing Rule 7.3A, the following information is provided in relation to Resolution 5:

(a) Period for which approval is valid

Approval of the 7.1A Mandate will be valid from the date of this year's AGM and will expire on the earlier of:

- (i) the date that is 12 months after the date of the AGM at which the approval is obtained;
- (ii) the time and date of the Company's next AGM; and
- (iii) the time and date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 or Listing Rule 11.2.

(b) Minimum price at which Equity Securities may be issued

The issue of Equity Securities under the 7.1A Mandate will be for a cash consideration at an issue price of not less than 75% of the 15-day VWAP for Equity Securities in that class immediately before:

- (i) the date on which the price at which the relevant Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the relevant Equity Securities are not issued within 10 Trading Days of the date in paragraph 6.2(b)(i) above, the date on which the Equity Securities are issued.

(c) **Purposes for which funds may be used**

Any funds raised by an issue of Equity Securities under the 7.1A Mandate will be used for either working capital purposes to assist the Company to secure and execute new contract awards and purchase orders, opportunistic acquisition opportunities, or diversification growth initiatives.

(d) **Risk of economic and voting dilution**

If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 7.1A Mandate, existing Shareholders' voting power will be diluted. There is also a risk that:

- (i) the market price for Equity Securities in that class may be significantly lower on the date of issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the issue date.

If Resolution 5 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shareholders will be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula in Listing Rule 7.1A.2 on the basis of the closing market price of Shares and the number of Shares on issue as at 3 October 2023, and using different assumed issue prices and values for variable 'A' in the formula.

Number of Shares on Issue (Variable 'A' in Listing Rule 7.1A.2)	Number of Shares issued, funds raised, and dilution	Assumed Issue Price		
		\$0.1325 (50% decrease in current price)	\$0.265 (current price)	\$0.53 (100% increase in current price)
218,146,168 (current)	Shares issued	21,814,616	21,814,616	21,814,616
	Funds raised	\$2,890,436	\$5,780,873	\$11,561,746
	Dilution	10%	10%	10%
327,219,252 (50% increase)	Shares issued	32,721,925	32,721,925	32,721,925
	Funds raised	\$4,335,655	\$8,671,310	\$17,342,620
	Dilution	10%	10%	10%
436,292,336 (100% increase)	Shares issued	43,629,233	43,629,233	43,629,233
	Funds raised	\$5,780,873	\$11,561,746	\$23,123,493
	Dilution	10%	10%	10%

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 issue or scrip issue under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table has been prepared on the following assumptions:

- (i) The current Shares on issue are the Shares on issue as at 3 October 2023, being 218,146,168 Shares.
- (ii) The 'current price' is \$0.265, being the closing price of the Shares on ASX on 3 October 2023.
- (iii) The Company issues the maximum number of Equity Securities under the 7.1A Mandate.
- (iv) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
- (v) The issue of Equity Securities under the 7.1A Mandate consists only of Shares and no Options are exercised, and no Performance Rights are converted, into Shares before the issue of Equity Securities under the 7.1A Mandate.
- (vi) The table does not show the dilution that may be caused to any one particular Shareholder. Shareholders should consider the dilution to their own shareholding depending on their circumstances.
- (vii) The table does not show the dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
- (viii) 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 in each example is 10%.

If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 7.1A Mandate, the existing Shareholders' voting power in the Company will be diluted.

(e) **Allocation policy**

The Company's allocation policy for the issue of Equity Securities under the 7.1A Mandate will depend on the prevailing market conditions at the time of the proposed issue. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to several factors including, but not limited to, the following:

- (i) the ability of the Company to raise funds at the time of the proposed issue of the Equity Securities;
- (ii) the dilutionary effect of the proposed issue of the Equity Securities on existing Shareholders at the time of the proposed issue;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from its professional advisers, including corporate, financial, and broking advisers (if applicable).

At the date of this Notice of Meeting, the Company has not formed an intention as to whether Equity Securities issued under the 7.1A Mandate will be offered to existing Shareholders, or to any class or group of existing security holders, or whether the Equity Securities will be offered exclusively to new investors that have not previously been security holders of the Company. The Company will give consideration, before making any placement of Equity Securities under the 7.1A Mandate, to whether the raising of any funds under such placement could be carried out, in whole or in part, by means of a pro rata offer to existing Shareholders, a placement and a pro rata offer, or a placement and an offer under a share purchase plan.

Allottees under the 7.1A Mandate will not include related parties of the Company or their Associates but otherwise the Company does not have any specific intentions in relation to parties it may approach to participate in an issue of Equity Securities under the 7.1A Mandate.

(f) **Previous issues of Equity Securities under Listing Rule 7.1A.2**

The Company previously obtained approval from Shareholders under Listing Rule 7.1A at last year's AGM held on 17 November 2022 (**Previous Approval**).

During the 12-month period preceding the date of the Meeting, being from 23 November 2022, the Company issued 14,607,143 Shares pursuant to the Previous Approval (**Previous Issue**), being 10% of the total number of Equity Securities on issue at the commencement of that 12-month period.

Further details of the issue of Equity Securities by the Company pursuant to Listing Rule 7.1A.2 during the 12-month period preceding the date of the Meeting and provided in accordance with Listing Rule 7.3A.6(b) is as follows:

Date of issue and Appendix 2A	9 March 2023.
Recipients	Shares were issued to professional and sophisticated investors as part of the institutional placement component of the Company's equity raising announced to the market on 1 March 2023. The placement participants were identified through a bookbuild process, which involved Bell Potter Securities Limited seeking expressions of interest from non-related parties of the Company to participate in the placement. None of the recipients of Equity Securities issued by the Company pursuant to Listing Rule 7.1A.2 were investors that are required to be disclosed under ASX Guidance Note 21.
Number and class of Equity Securities issued	14,607,143 Shares.

Issue price and discount (if any) to closing market price	\$0.28 per Share (at a discount of 15.15% to the closing market price of the Shares on 9 March 2023, being \$0.33).
Total cash consideration and use of funds	<p><u>Amount raised:</u> \$4,090,000. <u>Amount spent:</u> \$1,260,000. <u>Use of funds:</u> securing new contracts and assisting with execution of existing contracts, including additional performance / warranty bond facility, new capex requirements for plant expansion for SURF product scale delivery, and general working capital. <u>Amount remaining:</u> \$2,830,000. <u>Proposed use of remaining funds:</u> securing new contracts and assisting with execution of existing contracts, including additional performance / warranty bond facility, new capex requirements for plant expansion for SURF product scale delivery, and general working capital.</p>

(g) **Voting exclusion statement**

A voting exclusion statement is included in the Notice of Meeting. At the date of the Notice of Meeting, the Company has not approached any particular Shareholder or any identifiable class of existing security holders to participate in an issue of Equity Securities under the 7.1A Mandate. Therefore, no votes cast in favour of this Resolution by existing Shareholders will be disregarded.

6.3 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 5. The Chair intends to vote all undirected proxies in favour of Resolution 5.

GLOSSARY

AGM means annual general meeting.

Annual Report has the meaning given in section 1 of the Explanatory Statement.

Associate has the meaning given in Chapter 19 of the Listing Rules.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

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

Award means an Option and/or a Performance Right (as the case may be).

Board means the board of Directors as constituted from time to time.

Chair means the chair of the Meeting.

Closely Related Party, in relation to a member of the Key Management Personnel, means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- (e) a company the member controls; or
- (f) a person so prescribed by the Corporations Regulations.

Company means Matrix Composites & Engineering Ltd (ABN 54 009 435 250).

Constitution means the constitution of the Company as amended from time to time.

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

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

Directors means the directors of the Company from time to time and **Director** means any one of them.

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

Eligible Employee means an employee or director of, or an individual who provides services to, the Company (or any of its associated entities) whom the Board determines is to be issued Awards under the Employee Awards Plan.

Employee Awards Plan has the meaning given in section 4.1 of the Explanatory Statement.

Equity Securities has the meaning given in Chapter 19 of the Listing Rules.

Explanatory Statement means the explanatory statement accompanying this Notice of Meeting.

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

Key Management Personnel 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.

Listing Rules means the listing rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the Official List, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

Meeting means the Annual General Meeting of Shareholders to be held at 150 Quill Way, Henderson, Western Australia on Thursday, 23 November 2023 at 10:00am (WST).

Notice of Meeting means this notice of annual general meeting, including the Explanatory Statement.

Official List means the official list of entities that ASX has admitted and not removed.

Option means an option to subscribe for a Share under the Employee Awards Plan.

Performance Right means a conditional right to be issued a Share under the Employee Awards Plan.

Proxy Form means the proxy form accompanying this Notice of Meeting.

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

Resolutions means the resolutions to be proposed at the Meeting and **Resolution** means any one of them.

7.1A Mandate has the meaning given in section 6.1 of the Explanatory Statement.

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

Shareholder means the holder of a Share.

Stantons means Stantons Corporate Finance Pty Ltd.

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

Trading Day has the meaning given in Chapter 19 of the Listing Rules.

VWAP, in relation to the Shares for a particular period, means the volume-weighted average price of trading in the Shares on ASX over that period.

WST means Australian Western Standard Time.



Employee Awards Plan

Matrix Composites & Engineering Limited
(ABN 98 008 624 691)

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1 Defined terms and interpretation

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter:

- (a) which is defined in the Dictionary in Schedule 1 (**Dictionary**), has the meaning given to it in the Dictionary;
- (b) which is defined in the Corporations Act, but is not defined in the Dictionary, has the meaning given to it in the Corporations Act; and
- (c) which is defined in the GST Law, but is not defined in the Dictionary or the Corporations Act, has the meaning given to it in the GST Law.

1.2 Interpretation

The interpretation clause in Schedule 1 (**Dictionary**) sets out rules of interpretation for this deed.

2 Purpose

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Employees;
 - (b) link the reward of Eligible Employees to performance and the creation of Shareholder value;
 - (c) align the interests of Eligible Employees more closely with the interests of Shareholders by providing an opportunity for Eligible Employees to receive an equity interest in the form of Awards;
 - (d) provide Eligible Employees with the opportunity to share in any future growth in value of the Company; and
 - (e) provide greater incentive for Eligible Employees to focus on the Company's longer term goals.
-

3 Commencement

The Plan will commence on a date determined by resolution of the Board.

4 Principal conditions

4.1 Compliance with laws

Notwithstanding the Rules or the terms of any Award, no Award may be offered, issued or exercised, and no Share may be issued pursuant to the exercise of Options or Performance Rights under the Plan:

- (a) if to do so:

- (i) would contravene the Corporations Act, the Listing Rules or any other Applicable Law; or
 - (ii) would contravene the local laws or customs of an Eligible Employee's country of residence or in the opinion of the Board would require actions to comply with those local laws or customs which are impractical or unreasonably onerous; or
- (b) to any person referred to in Listing Rule 10.14 (which includes a Director) without Shareholder Approval (unless an exemption from the Shareholder Approval requirement applies).

4.2 No prohibited financial assistance

No person may, whether directly or indirectly, provide financial assistance that is prohibited by the Corporations Act to an Eligible Employee for the purposes of, or in connection with, the acquisition or exercise of Awards under the Plan.

4.3 Plan limit

- (a) Where an Offer which requires Monetary Consideration is made under the Plan, the Board must, at the time of making the Offer, have reasonable grounds to believe that the Offer complies with the Issue Cap.
- (b) The Issue Cap is subject to adjustment or increase:
- (i) as may be permitted by Applicable Law; and
 - (ii) to a limit prescribed in the Constitution in accordance with Applicable Law.

4.4 Quotation

Options and Performance Rights will not be quoted on ASX. However, application will be made to ASX for official quotation of any Shares issued for the purposes of the Plan, including pursuant to the exercise of Options and Performance Rights, to the extent required by Listing Rule 2.4 if the Company's Shares are listed on ASX at that time.

5 Offers

5.1 Board to make Offer

Subject to Rule 4.1, the Board may, in its absolute discretion, offer Awards to any Eligible Employee from time to time as determined by the Board and in exercising that discretion, may have regard to some or all of the following:

- (a) the Eligible Employee's length of service with the Group;
- (b) the contribution made by the Eligible Employee to the Group;
- (c) the potential contribution of the Eligible Employee to the Group; or
- (d) any other matter the Board considers relevant,

subject to the terms of the Awards being consistent with the Listing Rules.

5.2 Prospective Eligible Employees

Subject to Rule 4.1, the Board may, in its absolute discretion, offer Awards in accordance with these Rules to a person where the Offer is conditional on the person becoming an Eligible Employee.

5.3 Number of Awards

Subject to Rule 4.3, the number of Awards the subject of an Offer to an Eligible Employee will be determined by the Board in its absolute discretion and in accordance with the Rules and Applicable Law.

5.4 Form of offer – No Monetary Consideration

An Offer which requires no Monetary Consideration (other than an Offer that does not require disclosure to any investor under Part 6D.2 of the Corporations Act because of section 708 of the Corporations Act) must be expressed to be made under Division 1A of Part 7.12 of the Corporations Act.

5.5 Form of Offer – Monetary Consideration

An Offer which requires Monetary Consideration (other than an Offer that does not require disclosure to any investor under Part 6D.2 of the Corporations Act because of section 708 of the Corporations Act) must be made in an Offer Document, and expressed to be made under Division 1A of Part 7.12 of the Corporations Act.

5.6 Information contained in Offer Document

An Offer Document must include or be accompanied by the terms of the Offer (or a summary of the terms of the Offer), including:

- (a) the name and address of the Eligible Employee to whom the Offer is made;
- (b) the date of the Offer;
- (c) the First Acceptance Date, which must be at least 14 days after receiving the Offer Document;
- (d) the Final Acceptance Date;
- (e) the maximum number of Awards which the Eligible Employee may apply for;
- (f) the Grant Conditions (if any) attaching to the Awards the subject of the Offer;
- (g) in respect of an Offer of Shares:
 - (i) the Issue Price (if any) or the manner of determining the Issue Price (if any) of the Shares; and
 - (ii) details of the Share Vesting Conditions (if any) attaching to the Shares;
- (h) in respect of an Offer of Options or Performance Rights:
 - (i) the Issue Price (if any) or the manner of determining the Issue Price (if any) of the Options or Performance Rights;

- (ii) details of Option Vesting Conditions or Performance Right Vesting Conditions (if any) attaching to the Options or Performance Rights;
- (iii) the First Exercise Date of the Options or Performance Rights;
- (iv) the Last Exercise Date of the Options or Performance Rights;
- (v) the Exercise Price (if any) or the manner of determining the Exercise Price (if any) of the Options or Performance Rights;
- (i) the Vesting Period (if any) applicable to the Shares, Options or Performance Rights the subject of the Offer;
- (j) any other specific terms and conditions applicable to the Offer;

and, to the extent required by Applicable Law:

- (k) a prominent statement to the effect that:
 - (i) any advice given by the Company in relation to Awards issued under the Plan, and Shares issued upon exercise of the Options or Performance Rights, does not take into account an Eligible Employee's objectives, financial situation and needs; and
 - (ii) the Eligible Employee should obtain their own financial product advice in respect of the Offer from a person who is licensed by ASIC to give such advice;
- (l) general information about the risks of acquiring and holding the Shares, Options or Performance Rights (and underlying Shares) the subject of the Offer;
- (m) an explanation of how an Eligible Employee could, from time to time, ascertain the market price of the Shares underlying the Options or Performance Rights;
- (n) the terms of any loan or contribution plan under which an Eligible Employee may obtain Shares, Options or Performance Rights (or else a summary of the terms of any loan or contribution plan and a statement that, on request, a copy of the terms of the loan or plan will be provided to the Eligible Employee);
- (o) the trust deed of any trust that will hold Shares, Options or Performance Rights on trust for an Eligible Employee (or else a summary of the trust deed and a statement that, on request, a copy of the full deed will be provided to the Eligible Employee);
- (p) a copy of any disclosure document prepared by the Company under Part 6D.2 of the Corporations Act, or a product disclosure statement prepared under Part 7.9 of the Corporations Act, in the 12 months before the date of the Offer (or else a statement directing the Eligible Employee to any such document);
- (q) a copy of these Rules; and
- (r) any other information that is required by Applicable Law (if applicable).

5.7 Issue Price and Exercise Price

The Issue Price (if any) in respect of a Share, Option or Performance Right and the Exercise Price (if any) in respect of an Option or Performance Right (subject to any adjustment under the Plan):

- (a) is as determined by the Board in its absolute discretion; and
- (b) must be denominated and payable in Australian dollars, unless otherwise determined by the Board.

5.8 Terms

- (a) The terms and conditions applicable to an Offer, including the Final Acceptance Date, the First Exercise Date, the Last Exercise Date, any Grant Conditions, any Vesting Conditions and any Vesting Period, are as determined by the Board (in its absolute discretion) and must include any terms required by Applicable Law.
- (b) The terms and conditions applicable to an Offer, and any documents accompanying the Offer Document, must not include any misleading or deceptive statements, or omit any information that would result in those materials becoming misleading or deceptive.
- (c) The Company must provide each Participant with an updated Offer Document (and terms and conditions of the Offer) as soon as practicable after becoming aware that the document that was provided has become out of date, or is otherwise not correct, in a material respect.
- (d) Each Director of the Company and each Liable Person must notify the Company in writing as soon as practicable if, during the application period for the Offer, that person becomes aware that a material statement in the terms and conditions or the Offer Document, is misleading or deceptive, that information was omitted from those materials that has resulted in one or more of them being misleading or deceptive, or a new circumstance has arisen during the application period which means the terms and conditions or the Offer Document is out of date, or otherwise not correct, in a material respect.

5.9 Contravention of the terms of the Offer

- (a) Subject to paragraph (b), where a Participant suffers Loss because of a contravention of a term of the Offer covered by section 1100Z(1) of the Corporations Act, that Participant can recover the amount of Loss in accordance with section 1100Z(2) of the Corporations Act.
- (b) The Directors, the Company and each Liable Person are not liable for any Loss suffered by a Participant because of a contravention of a term of the Offer covered by section 1100Z(2) of the Corporations Act, if the person complied with sections 1100(Z)(3)(a)-(e) of the Corporations Act.

5.10 Offer personal

Subject to Rule 5.11, an Offer is personal and can only be accepted by the Eligible Employee to whom the Offer is made.

5.11 Nominated Party

- (a) Upon receipt of an Offer, an Eligible Employee may, by notice in writing to the Board, nominate a Nominated Party of that Eligible Employee in whose favour the Eligible Employee wishes the Shares, Options or Performance Rights the subject of the Offer to be issued.

- (b) The Board may, in its absolute discretion, decide not to permit the Shares, Options or Performance Rights the subject of an Offer to be issued to a Nominated Party without giving any reason for that decision.
 - (c) If the Board decides to permit the Shares, Options or Performance Rights the subject of an Offer to be issued to a Nominated Party, the Eligible Employee will procure that the Nominated Party also agrees to be bound by the Rules.
-

6 Application for Awards

6.1 Acceptance of Offer

- (a) Subject to Rule 6.1(b), an Eligible Employee may accept an Offer by giving to the Company an Application (and in the case of an Offer of Awards that have an Issue Price, paying the Issue Price) by the Final Acceptance Date. In the Application, the Eligible Employee may apply for the Awards the subject of the Offer to be issued to the Eligible Employee or a Nominated Party (if approved by the Board in accordance with Rule 5.11).
- (b) An Eligible Employee may not accept an Offer, and an Application will not be accepted if, at the date the Application would otherwise be accepted:
 - (i) the Eligible Employee is not an Employee;
 - (ii) the Eligible Employee has given notice of his or her resignation as an Employee; or
 - (iii) the Eligible Employee has been given notice of termination of employment as an Employee.
- (c) The Board may, in its absolute discretion, refuse to allow an Eligible Employee to participate in the Plan even though an Application is received from the Eligible Employee in accordance with Rule 6.1(a).

6.2 Partial acceptance of Offer

An Eligible Employee may accept an Offer in whole or in part, in multiples of 100 Shares, Options or Performance Rights, or such other multiple of Shares, Options or Performance Rights as the Board may permit for the Eligible Employee.

6.3 Lapse of Offer

An Offer that is not accepted in accordance with Rule 6.1 will lapse at 5.00pm(*insert jurisdiction*) time) on the Final Acceptance Date.

6.4 Withdrawal of Offer prior to acceptance

The Board reserves the right (subject to any Applicable Law) to withdraw an Offer made to an Eligible Employee, provided that the Offer has not yet been accepted in accordance with Rule 6.1.

7 Issue of Shares

7.1 Acceptance by Eligible Employee

By accepting an Offer for Shares in accordance with Rule 6.1, the Eligible Employee and the Nominated Party (if applicable) will be taken to have:

- (a) agreed to become a Participant bound by these Rules;
- (b) irrevocably offered to acquire Shares:
 - (i) under, and subject to, these Rules; and
 - (ii) on and subject to the terms and conditions of the Offer; and
- (c) agreed to become a Shareholder of the Company and be bound by the Constitution upon the issue of Shares to the Participant.

7.2 Acceptance by Company

- (a) Subject to the terms and conditions included in an Offer, the Company will register that number of Shares set out in the Application in the name of the relevant Eligible Employee or Nominated Party (if applicable). Nothing in any Offer or Application, or in these Rules, will be taken to confer on any Eligible Employee or Nominated Party (if applicable) any right or title to or interest in, any Shares until the Shares are so registered.
- (b) The Company will give notice, or cause notice to be given (including via a Holding Statement), to a Participant (or any person authorised to receive such notice on the Participant's behalf), in accordance with the Listing Rules, of the registration in the Participant's name of Shares issued under the Plan, including information on the following:
 - (i) the number of Shares issued to the Participant;
 - (ii) the date of issue of those Shares;
 - (iii) the Share Vesting Conditions (if any) attaching to the Shares;
 - (iv) the Vesting Period (if any) applicable to the Shares; and
 - (v) any other specific terms and conditions applicable.

7.3 Clearance of Issue Price

The Company is not obliged to issue Shares to the Participant until payment of the Issue Price (if any) is received by the Company in cleared funds.

7.4 Shares to rank equally

Unless otherwise determined by the Board at the time of an Offer, all Shares issued pursuant to the Offer will rank equally with existing Shares on and from their date of issue.

8 Share Vesting Conditions

8.1 Conditions

The Board may offer Shares with such conditions relating to the Shares, including as to Dealing or forfeiture, as determined by the Board from time to time.

8.2 Compliance by Participant

Each Participant undertakes to:

- (a) only Deal in the Shares as permitted by the Share Vesting Conditions (if any); and
- (b) observe all Share Vesting Conditions attached to the Shares issued to them.

8.3 No hedging

If restricted by Applicable Law, a Participant may not enter into any arrangement for the purpose of hedging, or otherwise affecting their economic exposure to any Unvested Shares.

8.4 Refusal to register transfer

- (a) Subject to the Listing Rules, the Company must refuse to register a paper-based transfer, and must apply or cause to be applied a Holding Lock to prevent a transfer, of any Shares to which Share Vesting Conditions attach, and the Board on behalf of the Company may take any other steps that it considers necessary or appropriate, to enforce and give effect to any Dealing restrictions under the Share Vesting Conditions.
- (b) Each Participant irrevocably authorises the Board on behalf of the Company to apply a Holding Lock to any Shares to which Share Vesting Conditions attach held by that Participant.

8.5 Retention of Holding Statements

Until any Share Vesting Conditions for a Share (including in relation to any Dealing) are satisfied, the Company may retain the Holding Statements in relation to the Share and any Shares issued with respect to the Share under a bonus or rights issue. The Company will promptly deliver any Holding Statements in relation to a Share which it holds to the Participant on the satisfaction of all Share Vesting Conditions for the Share (including in relation to any Dealing) imposed under Rule 8.1.

8.6 Waiver

The Board may, at its absolute discretion, by notice to the Participant, reduce or waive the Share Vesting Conditions attaching to Shares in whole or in part at any time and in any particular case, which may be subject to Shareholder Approval.

8.7 Vesting

- (a) Subject to Rules 8.6, 8.7(b) and 19, any Shares offered under the Plan will not vest unless any Share Vesting Conditions have been satisfied, reached or met.
- (b) If the grant or offer of Shares is subject to Share Vesting Conditions, the Company must give a Participant a Vesting Notice upon the Share Vesting Conditions

relating to the Shares issued (or transferred) to the Participant having been satisfied, or waived by the Board.

8.8 Shares cease to be subject to Shares Vesting Conditions

On the earliest of:

- (a) a determination by the Board that any Share Vesting Conditions have been satisfied, reached or met; and
- (b) the Board making a determination to waive any applicable Share Vesting Conditions under Rule 8.6,

then:

- (c) the relevant Shares become Vested Shares and cease to be subject to the restrictions under this Rule 8 and the forfeiture provisions under Rule 9 (except to the extent provided for by Rule 21); and
- (d) the Board must, as soon as reasonably practicable, lift the Holding Lock in respect of the relevant Shares and must notify the holder of the Shares that the Holding Lock has been lifted.

8.9 Notification upon request by Participant

The Company must, if requested, notify the holder of the Shares of the particular time when the Holding Lock was lifted under Rule 8.8.

9 Forfeiture of Shares

9.1 Forfeiture of Unvested Shares

If a Participant holds any Unvested Shares, the Participant's ownership of those Unvested Shares will be forfeited by the Participant (or any person claiming through the Participant) to the Company (or otherwise as directed by the Board) on the earliest of:

- (a) the Board determining that any Share Vesting Condition applicable to the Unvested Shares has not been satisfied, reached or met in accordance with its terms or is not capable of being satisfied, reached or met;
- (b) the Unvested Shares being forfeited in accordance with Rule 18;
- (c) the Unvested Shares being forfeited in accordance with Rule 19;
- (d) the Unvested Shares being forfeited in accordance with Rule 20; or
- (e) unless the Board determines otherwise:
 - (i) the Participant purporting to Deal in the Unvested Shares in breach of the Share Vesting Conditions attaching to those Unvested Shares, other than as permitted under these Rules;
 - (ii) the Board providing written notice under Rule 21(a); or
 - (iii) the Participant purporting to enter into any arrangement in respect of the Unvested Shares in breach of Rule 8.3.

9.2 Treatment of Forfeited Shares

- (a) As soon as reasonably practicable after Forfeited Shares are forfeited, the Company must:
 - (i) sell those Forfeited Shares in the ordinary course of trading on the stock market of the ASX;
 - (ii) buy-back and cancel the Forfeited Shares;
 - (iii) if a Trust has been established, transfer those Forfeited Shares to the Trustee; or
 - (iv) deal with the Forfeited Shares in any other manner determined by the Board from time to time.
- (b) For the avoidance of doubt, the Company will hold full legal and beneficial title to any Forfeited Shares which are transferred to the Company pursuant to any power of attorney granted by a Participant at all times until those Forfeited Shares are disposed of by the Company.

9.3 Effect of forfeiture

For the avoidance of doubt, no consideration or compensation will be payable to a Participant for or in relation to the forfeiture by the Participant of ownership of Shares held under the Plan.

9.4 Conditions on forfeiture

In making any determination as to the forfeiture or otherwise of the ownership of Shares or other entitlements under Rule 9 the Board may impose any conditions that it thinks fit.

10 Voting rights and dividends of Shares

- (a) Unless otherwise resolved by the Board when it makes an Offer, and subject to the terms of issue of the relevant Shares, a Participant is entitled to notice of a meeting of the Shareholders of the Company and may exercise (whether in person or by proxy) any voting rights attaching to the Shares registered in the Participant's name which were the subject of the Offer.
- (b) The Board may determine, at the time of an Offer of Shares to a Participant, whether the Participant is entitled to all dividends declared or paid on Unvested Shares (including whether any such dividends are to be held in escrow until the Shares are fully vested).

11 Rights issues and bonus issues

- (a) Subject to paragraph (b), unless otherwise resolved by the Board when it makes an Offer, a Participant who holds the Shares issued pursuant to the Offer has the same entitlement as any other Shareholder in the Company to participate in any rights issue or bonus issue, provided however, if the Shares held by the Participant are subject to any Share Vesting Conditions or any restrictions on sale imposed under Rule 8.1, any shares issued to a Participant under the rights issue or bonus issue will be subject to these Rules and deemed to have the same Share Vesting

Conditions and restrictions attached as if those shares were Shares issued under the Offer made to the Participant.

- (b) If the Shares are held by the Trustee on behalf of a Participant, in order for the Participant to participate in any rights issue or bonus issue (through the Trustee), such Shares held by the Trustee must be, at the date of the rights issue or bonus issue, allocated to a Participant and not be subject to any Share Vesting Conditions.

12 Capital reconstructions

In the event of a capital reconstruction, subject to any provision in the Listing Rules, the Board may adjust any or all of the number of Shares issued pursuant to the Offer to a Participant as the Board deems appropriate.

13 Issue of Options or Performance Rights

13.1 Acceptance by Eligible Employee

By accepting an Offer in accordance with Rule 6.1, the Eligible Employee and the Nominated Party (if applicable) will be taken to have:

- (a) agreed to become a Participant bound by these Rules;
- (b) irrevocably offered to acquire the Shares, Options or Performance Rights (and the Shares upon the exercise of Options or Performance Rights) the subject of the Offer:
 - (i) under, and subject to, these Rules; and
 - (ii) on and subject to the terms and conditions of the Offer.

13.2 Acceptance by Company

Unless provided for otherwise in an Offer, the Company will be deemed to have accepted an Eligible Employee's Application upon the issue to the Eligible Employee (or Nominated Party, if applicable), of the Awards the subject of the Application, and the notification to the Eligible Employee and Nominated Party (if applicable) of the issue of the Awards (including via the issue of a Certificate). Nothing in any Offer or Application, or in these Rules, will be taken to confer on any Eligible Employee or Nominated Party (if applicable) any right or title to or interest in, any Awards until they have been issued and notice is provided.

13.3 Certificates

The Company must give a Participant a Certificate in respect of Options and Performance Rights issued to them.

13.4 Interest in Shares

A Participant has no right or interest in a Share the subject of an Option or Performance Right held by the Participant unless and until the Option or Performance Right is exercised and the Share is issued. Nor does the holder of an Option or Performance Right have any rights to dividends, rights to vote or rights to the capital of the Company as a Shareholder as a result of holding an Option or a Performance Right. Subject to the

Corporations Act and the Constitution, a Participant will not, as a holder of an Option or a Performance Right, have any right to attend to vote at general meetings of holders of Shares.

14 Exercise of Options and Performance Rights

14.1 Exercise

- (a) Subject to Rules 4.1, 14.2 and 18, a Participant will be entitled to exercise:
 - (i) an Option if they have received a Vesting Notice confirming that any Option Vesting Conditions have been satisfied or waived;
 - (ii) a Performance Right if they have received a Vesting Notice confirming that any Performance Right Vesting Conditions have been satisfied or waived; and
 - (iii) it is otherwise capable of exercise in accordance with the terms of the relevant Offer and the Rules.
- (b) Once an Option or Performance Right is capable of exercise in accordance with this Rule 14.1, it may be exercised at any time up until 5.00 pm (*insert jurisdiction* time) on the Last Exercise Date, subject to these Rules.

14.2 Adjustment to terms of exercise

- (a) The Board will have the power to make adjustments to or vary the terms of exercise of an Option or a Performance Right, including reducing or waiving the Option Vesting Conditions attaching to Options or Performance Rights Vesting Conditions attaching to Performance Rights in whole or in part at any time and in any particular case. Any proposed variation or adjustment will be subject to any requirements of the Corporations Act and/or the Listing Rules (including shareholder approval).
- (b) No adjustment or variation of the terms of exercise of an Option or a Performance Right will be made without the consent of the Participant who holds the relevant Option or Performance Right if such adjustment or variation would have a materially prejudicial effect upon the Participant (in respect of his or her outstanding Options or Performance Rights), other than an adjustment or variation introduced primarily:
 - (i) for the purpose of complying with or conforming to present or future Applicable Law governing or regulating the maintenance or operation of the Plan or like plans;
 - (ii) to correct any manifest error or mistake; or
 - (iii) to enable a member of the Group to comply with the Corporations Act, the Listing Rules, applicable foreign law, or a requirement, policy or practice of the ASIC or other foreign or Australian regulatory body.

14.3 Exercise of Options or Performance Rights

Options or Performance Rights granted to a Participant may only be exercised by delivery to the Company Secretary (at a time when the Options or Performance Right may be exercised) of:

- (a) the Certificate for the Options or Performance Rights or, if the Certificate for the Options or Performance Rights has been lost or destroyed, a declaration to that effect, accompanied by an indemnity in favour of the Company against any loss, costs or expenses which might be incurred by the Company as a consequence of its relying on the declaration that the Certificate has been lost or destroyed;
- (b) a Notice of Exercise signed by the Participant; and
- (c) payment to the Company of an amount in cleared funds equal to the Exercise Price multiplied by the number of Options or Performance Rights which are being exercised unless there is no Exercise Price payable in respect of the Options or Performance Rights to be exercised.

14.4 Cashless exercise of Options or Performance Rights

In lieu of paying the aggregate Exercise Price to purchase Shares under Rule 14.3(c), the Board may, in its sole and absolute discretion, permit a Participant to elect to receive, without payment of cash or other consideration, upon surrender of the applicable portion of exercisable Options or Performance Rights to the Company, a number of Shares determined in accordance with the following formula (a **Cashless Exercise**):

$$A = \frac{B(C - D)}{C}$$

where:

- A = the number of Shares (rounded down to the nearest whole number) to be issued to the Participant pursuant to this Rule 14.4;
- B = the number of Shares otherwise issuable upon the exercise of the Option or Performance Right (as applicable) or portion of the Option or Performance Right (as applicable) being exercised;
- C = the Market Value of one Share determined as of the date of delivery to the Company Secretary of the items referred to in Rules 14.3(a) and 14.3(b); and
- D = the Exercise Price.

For example only: If a Participant holds 50 Options capable of exercise, each with an Exercise Price of \$1.00 and they elect to exercise all of their Options by paying the Exercise Price, they would pay \$50 and receive 50 Shares. However, if the Participant elects their rights under the Cashless Exercise, and the Market Value of one Share prior to exercise is \$1.50, the Participant will pay no cash and receive 16 Shares (being $50(\$1.50 - \$1.00)/\$1.50 = 16.67$, rounded down to 16 Shares).

For greater certainty, upon the Cashless Exercise of an Option or Performance Right (or portion thereof) (as applicable), the total number of Shares that may be issued pursuant to the exercise of Options under the Plan, as set forth in Rule 14.3, will be reduced by the total number of Shares with respect to which the Option or Performance Right (or portion thereof) (as applicable) was surrendered.

Note: The Company should obtain tax and accounting advice prior to the Board exercising its discretion under this Rule to permit a Cashless Exercise of Options or Performance Rights (as applicable) to ensure that the Cashless Exercise is implemented in a manner to achieve the desired tax and accounting outcomes at the time.

14.5 Loans and security

The Company or any of its Subsidiaries may agree to assist a Participant to fund the Exercise Price to purchase Shares under Rule 14.3(c) in such manner as the Board may determine, and the Company (or its Subsidiary) may take security over the purchased Shares in connection with such assistance. Any such loan will be subject to:

- (a) the loan being a limited recourse loan;
- (b) unless otherwise agreed by the Board in its sole discretion, be made solely to the Participant and in the name of the Participant.
- (c) the Participant complying with the requirements relating to the loan set out in an Offer Document, or any other relevant documentation issued by the Company in respect of the offer, including entering into a loan agreement evidencing the loan with the Company; and
- (d) the Company or its Subsidiary complying with the requirements of the Corporations Act in relation to financial assistance and loans offered in connection with an employee share scheme.

14.6 One or several parcels

Subject to Rule 14.1, Options or Performance Rights may be exercised in one or more parcels of any size, provided that the number of Shares issued upon exercise of the number of Options or Performance Rights in any parcel is not less than a Marketable Parcel.

14.7 Vesting

If the grant or offer of Options or Performance Rights is subject to Option Vesting Conditions or Performance Right Vesting Conditions respectively, the Company must give a Participant a Vesting Notice upon the Option Vesting Conditions relating to the Options Vesting Conditions or the Performance Right Vesting Conditions relating to the Options or Performance Rights issued (or transferred) to the Participant having been satisfied, or waived by the Board.

14.8 Issue of Shares

If the items specified in Rule 14.3 are delivered in accordance with that Rule, the Company will, subject to Rule 4.1 and the Listing Rules (if relevant):

- (a) within 15 Business Days of delivery of the documents referred to in Rule 14.3 issue to the Participant the Shares credited as being fully paid in respect of which the Options or Performance Rights are exercised together with any additional Shares an entitlement to which has arisen under Rule 17 in consequence of the exercise of the Options or Performance Rights; and
- (b) cancel the Certificate delivered pursuant to Rule 14.3(a) and, if any Options or Performance Rights held by the Participant have not lapsed and remain unexercised, deliver to the Participant a replacement Certificate reflecting the number of those Options or Performance Rights which remain unexercised.

14.9 Agrees to become a member

Upon issue of Shares under the Plan, a Participant agrees to become a member of the Company and be bound by the Constitution.

14.10 Equal rank

A Share issued on exercise of an Option or Performance Right will rank equally in all respects with Shares already on issue on the date of issue of the Shares, except for entitlements which had a record date before the date of issue of that Share.

15 Lapse of Options and Performance Rights

15.1 Lapse of Options or Performance Rights

Unless otherwise specified in the Options Vesting Conditions, or Performance Right Vesting Conditions or determined otherwise by the Board an Option or a Performance Right lapses on the earlier of:

- (a) the Board determining that any Option Vesting Condition applicable to the Option or any Performance Right Vesting Condition applicable to the Performance Right has not been satisfied, reached or met in accordance with its terms or is not capable of being satisfied, reached or met;
- (b) the day immediately following the Last Exercise Date; or
- (c) the Option or Performance Right lapsing in accordance with Rule 18, 19 or 20.

15.2 On lapsing

Where a Participant's Options or Performance Rights have lapsed under Rule 15.1:

- (a) all rights of a Participant under the Plan in respect of those Options or Performance Rights are forfeited; and
- (b) the Company will:
 - (i) notify the Participant that the Options or Performance Rights have lapsed;
 - (ii) cancel the Options or Performance Rights;
 - (iii) if only part of the Options or Performance Rights covered by a Certificate have lapsed, issue a Certificate stating the remaining number of Options or Performance Rights held by the Participant that have not lapsed; and
 - (iv) not be liable for any damages or other amounts to the Participant in respect of the Options or Performance Rights.

16 Dealings with Options and Performance Rights

16.1 No Dealing

- (a) A Participant may not engage in any Dealing with any Options or Performance Rights issued under the Plan, unless:
 - (i) the prior consent of the Board is obtained, which consent may impose such terms and conditions on such assignment, transfer, novation, encumbrance or disposal as the Board sees fit in its sole and absolute discretion; or

- (ii) such assignment or transfer occurs by force of law upon the death of a Participant to the Participant's legal personal representative.
- (b) Unless otherwise decided by the Board, where a Participant purports to Deal with an Option or Performance Right other than in accordance with Rule 16.1(a), the Option or Performance Right immediately lapses.

16.2 No hedging

If restricted by Applicable Law, a Participant may not enter into any arrangement for the purpose of hedging, or otherwise affecting their economic exposure to any Options or Performance Rights.

17 Participation rights in new issues, reorganisations of capital and winding up

17.1 Application of this Rule

This Rule 17 applies to Participants who hold Options or Performance Rights that they have not yet exercised and which have not lapsed.

17.2 New issues

- (a) Participants holding Options or Performance Rights are not entitled to participate in any new issue of securities to existing holders of Shares in the Company unless:
 - (i) they have become entitled to exercise their Options or Performance Rights under the Plan; and
 - (ii) they exercise their Options or Performance Rights and receive Shares before the record date for the determination of entitlements to the new issue of securities and participate as a holder of Shares.
- (b) In accordance with the Listing Rules, the Company will give Participants notice of any new issue of securities before the record date for determining entitlements to the new issue.

17.3 Pro rata issues

If the Company makes a pro rata issue of Shares (except a bonus issue) to existing holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of an Option or Performance Right before the record date for determining entitlements to the pro rata issue, the Exercise Price of the Option or Performance Right will be reduced according to the formula specified in the Listing Rules.

17.4 Bonus issues

If the Company makes a bonus issue of Shares to existing holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of an Option or Performance Right before the record date for determining entitlements to the bonus issue, then the number of underlying Shares over which the Option or Performance Right is exercisable will be increased by the number of Shares which the Participant would have received if the Participant had

exercised the Option or Performance Right before the record date for the bonus issue. No adjustment will be made to the Exercise Price.

17.5 Reorganisation of capital

If there is a reorganisation of the issued capital of the Company (including a consolidation, subdivision, reduction or return) then the rights of a Participant (including the number of Options or Performance Rights to which each Participant is entitled and the Exercise Price) will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

17.6 Winding up

If a resolution for a members' voluntary winding up of the Company is proposed (other than for the purpose of a reconstruction or amalgamation) the Board may, in its absolute discretion, give written notice to Participants of the proposed resolution. Subject to the Option Vesting Conditions or Performance Right Vesting Conditions, the Participants may, during the period referred to in the notice, exercise their Options or Performance Rights.

17.7 Fractions of Shares

For the purposes of this Rule 17, if Options or Performance Rights are exercised simultaneously, then the Participant may aggregate the number of Shares or fractions of Shares for which the Participant is entitled to subscribe. Fractions in the aggregate number only will be disregarded in determining the total entitlement of a Participant.

17.8 Calculations and adjustments

Any calculations or adjustments which are required to be made under this Rule 17 will be made by the Board and, in the absence of manifest error, are final and conclusive and binding on the Company and the Participant.

17.9 Notice of adjustments

Whenever the number of Shares underlying an Option or Performance Right or the Exercise Price is adjusted pursuant to these Rules, the Company will give notice of the adjustment to the Participant and the ASX together with the calculations on which the adjustment is based.

17.10 Accumulation of adjustments

Effect will be given to this Rule 17 in such manner that the effect of the successive application of this Rule 17 will be cumulative, with the intention being that the adjustments that it progressively effects will reflect previous adjustments.

18 Cessation of employment

18.1 Cessation of employment

Subject to Rule 18.2, if an Eligible Employee who is a Participant or has nominated a Nominated Party to receive Unvested Shares, Options or Performance Rights under the

Plan ceases to be an Employee for any reason, then, subject to compliance with the Listing Rules and the Corporations Act any

- (a) Unvested Shares held by the Participant will be forfeited by the Participant in accordance with Rule 9;
- (b) Unvested Options or Unvested Performance Rights held by the relevant Participant will immediately lapse in accordance with Rule 15; and
- (c) any Vested Options or Vested Performance Rights that have not been exercised will lapse in accordance with Rule 15 on the date the Relevant Person ceases to be an Employee.

18.2 Board discretion

- (a) If an Eligible Employee who:
 - (i) is a Participant; or
 - (ii) has nominated a Nominated Party to receive Unvested Shares, Options or Performance Rights under the Plan,

ceases to be an Employee during the Vesting Period, notwithstanding the provisions of Rule 18.1, the Board may, subject to compliance with the Listing Rules and the Corporations Act (which may require Shareholder Approval), determine to treat any Unvested Shares, Options or Performance Rights held by the relevant Participant in any way other than in the manner set out in Rule 18.1, if the Board determines that the relevant circumstances warrant such treatment.

- (b) The Company must, within 14 days of the Board making a determination as to how to treat any Unvested Shares, Options or Performance Rights in accordance with Rule 18.2(a):
 - (i) give notice to the Participant affected by the determination of the effect of the determination on the remaining Unvested Shares, Options or Performance Rights held by the Participant; and
 - (ii) issue a replacement Certificate for the Unvested Shares, Options or Performance Rights to the extent that the details set out in the Certificate require amendment as a result of the determination.

19 Change of Control Event

19.1 Change of Control Event

If a Change of Control Event occurs, the Board may in its sole and absolute discretion, and subject to the Listing Rules determine how Unvested Shares, Unvested Options or Unvested Performance Rights held by a Participant will be treated, including but not limited to:

- (a) determining that Unvested Shares, Unvested Options or Unvested Performance Rights (or a portion of Unvested Shares, Unvested Options or Performance Rights) will vest and become immediately exercisable with such vesting deemed to have taken place immediately prior to the effective date of the Change of Control Event, regardless of whether or not the employment, engagement or office of the

Participant is terminated or ceases in connection with the Change of Control Event; and/or

- (b) reducing or waiving any of the Share Vesting Conditions, Option Vesting Conditions or Performance Right Vesting Conditions attaching to those Unvested Shares, Unvested Options or Unvested Performance Rights in accordance with Rule 8.6 or Rule 14.2.

19.2 Notice to Participants

Whether or not the Board determines to accelerate the vesting of any Shares, Options or Performance Rights, the Company must give written notice of any proposed Change of Control Event to each Participant.

20 Breach, fraud or misconduct

If the Board determines that a Participant (or an Eligible Employee who has nominated a Nominated Party to receive Shares, Options or Performance Rights under the Plan) at any time:

- (a) has been dismissed or removed from office for a reason which entitles a Group Company to dismiss the Participant (or Eligible Employee) without notice;
- (b) has been convicted on indictment of an offence against the Corporations Act in connection with the affairs of a Group Company;
- (c) has had a judgement entered against him or her in civil proceedings in respect of the contravention by the Participant (or Eligible Employee) of his or her duties at law, in equity or under statute in his or her capacity as an executive or Director of a Group Company;
- (d) has committed an act of fraud, defalcation or gross misconduct in relation to the affairs of that body corporate (whether or not charged with an offence);
- (e) is in material breach of any of his or her duties or obligations to a Group Company; or
- (f) has done an act which brings a Group Company into disrepute,

the Board may determine that:

- (g) all Unvested Shares held by the relevant Participant will be forfeited by the Participant in accordance with Rule 9;
- (h) all Options or Performance Rights held by the relevant Participant will lapse in accordance with Rule 15.

21 Clawback

If the Board becomes aware of a material misstatement in the Company's financial statements or some other event has occurred which, as a result, means that the Share Vesting Conditions, Option Vesting Conditions or Performance Right Vesting Conditions in respect of certain Vested Shares, Vested Options or Vested Performance Rights were not, or should not have been determined to have been, satisfied, then the Participant will cease to be entitled to those Vested Shares (**Affected Shares**), Vested Options

(**Affected Options**) or Vested Performance Rights (**Affected Performance Rights**) and the Board may:

- (a) by written notice to the Participant cancel the relevant Affected Options or Affected Performance Rights for no consideration or determine that the Affected Shares are Forfeited Shares for the purposes of Rule 9;
- (b) by written notice to the Participant require that the Participant pay to the Company the after tax value of the Affected Shares or Affected Options or Affected Performance Rights (and which have been converted into Shares), with such payment to be made within 30 Business Days of receipt of such notice; or
- (c) adjust fixed remuneration, incentives or participation in this Plan of a relevant Participant in the current year or any future year to take account of the after tax value of the Affected Shares, Affected Options or Affected Performance Rights.

22 Amendments of Rules

Subject to and in accordance with the Listing Rules (including any waiver granted under such Listing Rules), the Board (without the necessity of obtaining the prior or subsequent consent or approval of Shareholders of the Company in a general meeting) may from time to time amend (including the power to revoke, add to or vary) all or any provisions of the Rules in any respect whatsoever, by an instrument in writing, provided that rights or entitlements in respect of any Share, Option or Performance Right granted before the date of amendment must not be reduced or adversely affected unless prior written approval from the affected Participant(s) is obtained.

23 Administration of Plan

- (a) The Board may appoint for the proper administration and management of the Plan, such persons as it considers desirable and may delegate thereto such authorities as may be necessary or desirable for the administration and management of the Plan.
- (b) Subject to the provisions of the Rules, the Board may make such regulations and establish such procedures for the administration and management of the Plan as they consider appropriate.
- (c) The decision of the Board as to the interpretation, effect or application of the Rules will be final.

24 Appointment of trustee

- (a) The Board may at any time:
 - (i) appoint a trustee (**Trustee**) on any terms and conditions which it considers appropriate to do all such things and perform all such functions as it considers appropriate to operate and administer the Plan, including to acquire and hold Shares on behalf of Participants, for transfer to future Participants or otherwise for the purposes of the Plan; and
 - (ii) establish a trust (**Trust**) for the purposes set out in Rule 24(a)(i).

- (b) If the Board appoints a Trustee to hold Shares that are to be delivered to a Participant under this Plan:
 - (i) the Shares will be registered in the name of the Trustee and held by the Trustee on trust for that Participant and subject to the trust deed establishing the Trust (**Trust Deed**);
 - (ii) for the avoidance of doubt, to the extent there is any inconsistency between these Rules and any provision of the Trust Deed, the Trust Deed will prevail to the extent of the inconsistency;
 - (iii) where any provision of this Plan refers to granting, issuing, transferring or allotting Shares to, or holding, acquiring, receiving, subscribing for or disposing of Shares by the Participant, it will mean granting, issuing, transferring or allotting Shares to, or holding, acquiring, receiving, subscribing for or disposing of Shares by, the Trustee on behalf of that Participant;
 - (iv) unless the context requires otherwise, any other Rule of this Plan that refers to the Participant will mean the Trustee on behalf of that Participant; and
 - (v) the Trustee on behalf of each Participant will be entitled to any rights which accrue to Shares held for the benefit of that Participant and will exercise those rights in accordance with the Trust Deed.
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25 Rights of Eligible Employees

Neither participation in the Plan by a Group Company or any Eligible Employees or holders of an Award or anything contained in these Rules will in any way prejudice or affect the right of a Group Company to dismiss any Eligible Employee or holder of an Award or to vary the terms of employment of any Eligible Employee or holder. Nor will participation or the rights or benefits of an Eligible Employee or holder of an Award under the Rules be relevant to or used as grounds for granting or increasing damages in any action brought by an Eligible Employee or holder of an Award against a Group Company whether in respect of any alleged wrongful dismissal or otherwise.

26 Attorney

Each Participant, in consideration of an Offer:

- (a) irrevocably appoints the Company and any person nominated from time to time by the Company (each an "attorney"), severally, as the Participant's attorney to complete and execute any documents including Applications for Shares and Share transfers and to do all acts or things on behalf of and in the name of the Participant which may be convenient or necessary for the purpose of giving effect to the provisions of these Rules;
- (b) covenants that the Participant will ratify and confirm any act or thing done pursuant to this power;
- (c) releases each member of the Group and the attorney from any liability whatsoever arising from the exercise of the powers conferred by this Rule; and
- (d) indemnifies and holds harmless each member of the Group and the attorney in respect thereof.

27 ASIC relief

Notwithstanding any other provisions of the Plan, every covenant or other provision set out in an exemption or modification granted from time to time by the ASIC in respect of the Plan pursuant to its power to exempt and modify the Corporations Act and required to be included in the Plan in order for that exemption or modification to have full effect, is deemed to be contained in the Plan. To the extent that any covenant or other provision deemed by this Rule to be contained in the Plan is inconsistent with any other provision in the Plan, the deemed covenant or other provision shall prevail.

28 Notices

Any notice to Participants may be given in such manner as the Board determines.

29 Governing Law

This Plan is governed by the laws of Western Australia.

1 Dictionary

In these Rules, unless the context otherwise requires, the following terms and expressions will have the following meanings:

Affected Options has the meaning given to it in Rule 21.

Affected Performance Rights has the meaning given to it in Rule 21.

Affected Shares has the meaning given to it in Rule 21.

Applicable Law means any one or more or all, as the context requires of:

- (a) the Corporations Act;
- (b) the Corporations Regulations;
- (c) the Listing Rules;
- (d) the Constitution;
- (e) the *Income Tax Assessment Act 1936* (Cth) and the *Income Tax Assessment Act 1997* (Cth);
- (f) any practice note, policy statement, regulatory guide, class order, declaration, guideline, policy, procedure, ruling, judicial interpretation or other guidance note made to clarify, expand or amend (a), (b), (c) and (e) above; and
- (g) any other legal requirement that applies to the Plan.

Application means a duly completed and executed application for the issue of Shares, Options or Performance Rights made by an Eligible Employee in respect of an Offer, in the form approved by the Board from time to time.

ASIC means the Australian Securities and Investments Commission.

Associated Entity has the meaning given in section 50AAA of the Corporations Act.

ASX means the Australian Securities Exchange.

ASX Operating Rules means the ASX rules that govern the ASX and its clearing and settlement facilities.

Award means:

- (a) an Option;
- (b) a Performance Right; or
- (c) a Share,

as applicable.

Board means the board of directors of the Company.

Business Day means a day on which banks are open for general business in Perth, Western Australia, excluding Saturdays or Sundays.

Cashless Exercise has the meaning given in Rule 14.4.

Certificate means a certificate issued under Rule 13.3 in the form approved by the Board from time to time.

Change of Control Event occurs where:

- (a) an offer is made for Shares pursuant to a takeover bid under Chapter 6 of the Corporations Act and is, or is declared, unconditional; or
- (b) the Court sanctions under Part 5.1 of the Corporations Act a compromise or arrangement relating to the Company or a compromise or arrangement proposed 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) any other merger, consolidation or amalgamation involving the Company occurs which results in the holders of Shares immediately prior to the merger, consolidation or amalgamation being entitled to 50 per cent or less of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation; or
- (d) any Group Company enters into agreements to sell in aggregate a majority in value of the businesses or assets (whether or not in the form of shares in a Group Company) of the Group to a person, or a number of persons, none of which are Group Companies; or
- (e) the Board determines in its reasonable opinion, control of the Company has or is likely to change or pass to one or more persons, none of which are Group Companies.

Company means Matrix Composites & Engineering Ltd ABN 98 008 624 691.

Constitution means the constitution of the Company (as amended from time to time).

Corporations Act means the *Corporations Act 2001* (Cth), as amended from time to time.

Corporations Regulations means the *Corporations Regulations 2001* (Cth), as amended from time to time.

Deal or Dealing means, in relation to a Share, Option or Performance Right:

- (a) to sell, transfer, assign, novate, swap, declare a trust over, grant a Security Interest over, dispose of or otherwise alienate or deal with any legal or equitable interest in the Share, Option or Performance Right (as applicable); or
- (b) taking any steps or attempting to do any of the things set out in paragraph (a).

Directors means the directors of the Company.

Eligible Employee means an Employee whom the Board determines is to be issued Awards under the Plan.

Employee means a person who is an employee or director of, or an individual who provides services to, a Group Company.

Exercise Price means the exercise price of an Option or Performance Right.

First Acceptance Date means the first date that an eligible Employee may accept an Offer.

Final Acceptance Date means the final date that an Eligible Employee may accept an Offer.

First Exercise Date with respect to an Option or Performance Right means:

- (a) the date specified in an Offer or Certificate;
- (b) subject to paragraph (c), if no date is specified in an Offer or Certificate, the date of issue of the Option or Performance Right; or
- (c) the date determined under these Rules (if any).

Forfeited Shares means the Shares the ownership of which has been or is required to be (as the case maybe) forfeited under the Rules.

Grant Conditions means the conditions (if any) determined by the Board and specified in the Offer which are, subject to these rules, required to be satisfied, reached or met before a Share, Option or Performance Right will be granted.

Group means the Company and its Associated Entities and **Group Company** means the Company or any of its Associated Entities.

GST Law has the meaning given to it in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Holding Lock means a mechanism arranged or approved by the Board and administered by the Company (including through its share registry) that prevents Shares being disposed of by a Participant.

Holding Statement means a statement issued by the share registry of the Company detailing a Participant's holding of Shares.

Issue Cap means the issue cap for offers involving Monetary Consideration under section 1100V of the Corporations Act.

Issue Price means the amount (if any) payable per Share, Option or Performance Right by an Eligible Employee on application for Shares, Options or Performance Rights offered under an Offer.

Last Exercise Date with respect to an Option or Performance Right means:

- (a) the date specified in an Offer or Certificate;
- (b) subject to paragraph (c), if no date is specified in an Offer or Certificate, the date two years after the First Exercise Date; or
- (c) the date determined under Rule 18 (if any).

Liabe Person means:

- (a) a person named, with their consent, in the terms and conditions or in the Offer Document as a proposed director of the Company; and
- (b) a person named, with their consent, in the terms and conditions or the Offer Document as having made:
 - (i) a misleading or deceptive statement; or
 - (ii) a statement on which a misleading or deceptive statement is based.

Listing Rules means the official listing rules of the Australian Securities Exchange as amended from time to time.

Loss means all losses, liabilities, damages and claims, and all related costs and expenses (including any and all reasonable legal fees and reasonable costs of investigation, litigation, settlement, judgment, appeal, interest and penalties).

Market Value means, in relation to a Share, the volume weighted average closing sale price of a Share sold on ASX on the last 5 trading days on which sales were recorded immediately before the relevant date.

Marketable Parcel has the meaning given to that term in the ASX Operating Rules, as amended from time to time.

Monetary Consideration means monetary consideration payable by the Participant in respect of the issue or transfer of a Share, Option or Performance Right and/or the monetary consideration payable by the Participant on the exercise of an Option or Performance Right.

Nominated Party means, in respect of an Eligible Employee:

- (a) an immediate family member of the Eligible Employee;
- (b) a corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993*) where the Eligible Employee is a director of the trustee; or
- (c) a company whose members comprise no persons other than the Eligible Employee or immediate family members of the Eligible Employee.

Notice of Exercise means a duly completed and executed notice of exercise of an Option or Performance Right in the form approved by the Board from time to time.

Offer means an offer made to an Eligible Employee to subscribe for one or more Shares, Options or Performance Rights under the Plan.

Offer Document means an offer document that complies with Rule 5.5 and Applicable Law and is otherwise in the form approved by the Board from time to time.

Option means an option granted pursuant to these Rules to subscribe for one Share upon and subject to the terms of these Rules and the terms of the Offer.

Option Vesting Condition means the performance, vesting or other conditions (if any) as determined by the Board (in its absolute discretion) and set out in the Certificate or

Offer which are, subject to these Rules, required to be satisfied, reached or met before an Option vests and can be exercised.

Participant means an Eligible Employee to whom Shares, Options or Performance Rights have been granted under the Plan, or if Rule 5.11 applies, a Nominated Party of the Eligible Employee to whom Shares, Options or Performance Rights have been granted under the Plan.

Performance Right means conditional right issued to a Participant under the Plan to receive a Share, subject to the terms of the Offer and these Rules.

Performance Right Vesting Condition means the performance, vesting or other conditions (if any) as determined by the Board (in its absolute discretion) and set out in the Certificate or Offer which are, subject to these Rules, required to be satisfied, reached or met before a Performance Right vests and can be exercised.

Plan means the employee equity incentive scheme established in accordance with these Rules.

Relevant Person means:

- (a) in respect of an Eligible Employee, that person; and
- (b) in respect of a Nominated Party of an Eligible Employee being a Nominated Party under Rule 5.11, that Eligible Employee.

Rules means the rules of the Plan set out in this document.

Security Interest means a mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature (including the registration and/or perfection of that security interest under the *Personal Property Securities Act 2009* (Cth)).

Share means a fully paid ordinary share in the Company.

Share Vesting Conditions means the conditions (if any) determined by the Board and specified in the terms of the Offer under which a Share is offered, limiting the rights of the Participant holding the Share to Deal in the Share or which might result in forfeiture of the Share.

Shareholder means a holder of Shares.

Shareholder Approval means any prior approvals that need to be obtained from Shareholders of the Company in terms of these Rules before an action is taken or determination made under these Rules and doesn't contemplate the concept of shareholder approval generally.

Subsidiary has the meaning given to that term in the Corporations Act.

Trust has the meaning given in Rule 24.

Trust Deed has the meaning given in Rule 24.

Trustee has the meaning given in Rule 24.

Unvested Option means an Option that is not a Vested Option.

Unvested Performance Right means a Performance Right that is not a Vested Performance Right.

Unvested Share means a Share that is not a Vested Share.

Vested Option means an Option in respect of which the Board has determined that all the Option Vesting Conditions (if any) have been satisfied or waived.

Vested Performance Right means a Performance Right in respect of which the Board has determined that all the Performance Right Vesting Conditions (if any) have been satisfied or waived.

Vested Share means a Share the subject of an Offer in respect of which the Board has determined that all of the Share Vesting Conditions (if any) attaching to the Share have been satisfied or waived.

Vesting Conditions means the Share Vesting Conditions, Option Vesting Conditions and Performance Right Vesting Conditions.

Vesting Notice means a notice to a holder of a Share, Option or Performance Right that, to the extent specified in the vesting notice, the Share Vesting Conditions or the Option Vesting Conditions or Performance Right Vesting Conditions have been satisfied or waived.

Vesting Period means the period (if any) determined by the Board and specified in the terms of the Offer during which:

- (a) in the case of an Offer of Shares, the Shares will be subject to the Share Vesting Conditions; and
- (b) in the case of an Offer of Options or Performance Rights, any Option Vesting Conditions or Performance Right Vesting Conditions (as applicable) are required to be satisfied (unless waived by these Rules) before the Options or Performance Rights vest and can, between the First Exercise Date and the Last Exercise Date, be exercised.

2 Interpretation


In these Rules, the following rules of interpretation apply unless the contrary intention appears:

- (a) headings are for convenience only and do not affect the interpretation of these Rules;
- (b) the singular includes the plural and vice versa;
- (c) words that are gender neutral or gender specific include each gender;
- (d) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (e) the words 'such as', 'including', 'particularly' and similar expressions are not words of limitation;
- (f) a reference to:

- (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation, trust or other body corporate;
 - (ii) a thing (including but not limited to a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its agents, successors and permitted assigns;
 - (iv) a document includes all amendments or supplements to that document;
 - (v) a rule, term, party, schedule or attachment is a reference to a rule or term of, or party, schedule or attachment to these Rules;
 - (vi) these Rules includes all schedules and attachments to it;
 - (vii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity and is a reference to that law as amended, consolidated or replaced;
 - (viii) a statute includes any regulation, ordinance, by-law or other subordinate legislation under it;
 - (ix) an agreement other than these Rules includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing; and
 - (x) a monetary amount is in Australian dollars and all amounts payable under or in connection with these Rules are payable in Australian dollars;
- (g) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of the Rules or any part of them;
 - (h) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day; and
 - (i) in determining the time of day, where relevant to these Rules, the relevant time of day is:
 - (i) for the purposes of giving or receiving notices, the time of day where a party receiving a notice is located; or
 - (ii) for any other purpose under these Rules, the time of day in the place where the party required to perform an obligation is located;
 - (j) a day is the period of time commencing at midnight and ending immediately before the next midnight is to occur;
 - (k) if a period of time is calculated from a particular day, act or event (such as the giving of a notice), unless otherwise stated in these Rules, it is to be calculated exclusive of that day, or the day of that act or event.

LODGE YOUR VOTE
 **ONLINE**
<https://investorcentre.linkgroup.com>
 **BY MAIL**
 Matrix Composites & Engineering Ltd
 C/- Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235 Australia

 **BY FAX**
 +61 2 9287 0309

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

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

X99999999999
PROXY FORM

I/We being a member(s) of Matrix Composites & Engineering Ltd and entitled to participate in and vote hereby appoint:

APPOINT A PROXY
 the Chairman of the Meeting (mark box)
OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

 or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (WST) on Thursday, 23 November 2023 at 150 Quill Way, Henderson, Western Australia** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1, 3 & 4: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 3 & 4, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.
VOTING DIRECTIONS
Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.
Please read the voting instructions overleaf before marking any boxes with an
Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval of Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Steven Cole as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Approval of Employee Awards Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Issue of Options and Performance Rights to Mr Aaron Begley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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

STEP 3


HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

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

DEFAULT TO CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (WST) on Tuesday, 21 November 2023**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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



ONLINE

<https://investorcentre.linkgroup.com>

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



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link <https://investorcentre.linkgroup.com> into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



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



BY MAIL

Matrix Composites & Engineering Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150

*During business hours Monday to Friday (9:00am - 5:00pm)



COMMUNICATION PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, shareholders will need their "Holder Identifier" - Shareholder Reference Number (SRN) or Holder Identification Number (HIN).

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