

## 2020 Annual General Meeting

**Brisbane, 16 October 2020** – COSOL Limited (**COSOL**, **ASX:COS**) is pleased to release the following documents regarding its 2020 Annual General Meeting.

- Letter to Shareholders.
- Notice of 2020 Annual General Meeting.
- Sample Proxy Form.

*This announcement was authorised for release by Mr Ben Secrett, Company Secretary of COSOL Limited.*

## About AddOns

AddOns, Inc. is a leading provider of managed services, hosting, and application support optimised for asset-intensive industries. AddOns was formed in 1998 with a focus on technical solutions, consulting and software unique to asset-intensive industries including construction, oil and gas, manufacturing, mining and electric power. AddOns comprises developers, technical hardware experts, programmers, and report specialists with a history of driving productivity, reducing downtime and enhancing reporting to improve the quality of business decision making. AddOns' time-saving mobility and labor-reducing tools give clients and their employees the freedom to focus on moving their business forward.

## About COSOL

COSOL is a global, digital services and transformation specialist company providing strategic advice and practical delivery to streamline enterprise asset management business processes and technology systems. Combined with our proprietary data migration and reporting solutions (BPConnect®, RPConnect®), COSOL offers industry specific expertise in the definition, analysis, design, implementation, optimisation and support of production and commercial systems within a tailored and flexible delivery framework. COSOL's knowledge of systems and business processes coupled with the ability to interact from the shop floor to the boardroom enables streamlined sustainable business process transformations.

We have maintained a strong Ellipse practice since inception, providing both business improvement and tier II functional and technical support. Importantly, COSOL also maintains an SAP practice with a range of technical and functional SAP specialists. COSOL maintains networks and relationships with industry recognised solution providers and we sell our own integration, data migration and reporting solutions (BPConnect®, RPConnect®). COSOL has realised business benefits for our clients through the planning and deployment of these solutions.

COSOL differentiates itself through high quality asset intensive industry consultants for both Ellipse and SAP and the significant development of both the product RPConnect® and IP retention for enterprise resource planning data migration projects.

We have delivered data migration, cleansing and retention within multiple versions of Ellipse, in most cases under tight deadlines and in an environment with sensitivities relating to the M&A activity. We have an implicit understanding of both Ellipse and SAP data structures and environment. One of our differentiators is the ability to cross the SAP/Ellipse and industry knowledge bridge, reducing the risk and increasing the likelihood of success under tight timeframes.

16 October 2020

Dear Shareholder

## 2020 ANNUAL GENERAL MEETING AND ELECTRONIC COMMUNICATIONS

COSOL Limited (**COSOL**, **ASX:COS**) is convening its 2020 Annual General Meeting of Shareholders on Tuesday, 17 November 2020 at 10:00am AWST (**AGM**).

If you would like to attend, it will be held in the Yerrigan Room of the Liberty Conference Centre on the Ground Floor of 197 St George's Terrace, Perth WA.

COSOL will advise shareholders by way of an ASX announcement if it becomes necessary or appropriate to make alternative arrangements for the AGM because of changes in circumstances related to COVID-19.

### Notice of Meeting

In accordance with subsection 5(1)(f) of the *Corporations (Coronavirus Economic Response) Determination (No. 3) 2020*, COSOL will not be dispatching physical copies of the Notice of AGM and accompanying explanatory statement (**Notice**). Instead, a copy of the Notice is available for viewing and downloading from:

- COSOL's website at [www.cosol.com.au/investor-centre/#corporate-governance](http://www.cosol.com.au/investor-centre/#corporate-governance);
- the ASX website at [www2.asx.com.au/markets/company/cos](http://www2.asx.com.au/markets/company/cos); and
- the website of COSOL's share registry, Link Market Service (**Link**), at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) (access to Link's online voting site requires your shareholder details, including your HIN or SRN).

Shareholders will however receive a copy of this letter and a personalised proxy form by post or email according to your communication preference registered with Link.

***The Notice is important and should be read in its entirety before voting.***

### Voting

Shareholders are encouraged to participate in voting on the resolutions to be considered at the AGM. To vote by proxy, please complete, sign and return your personalised proxy form in accordance with the instructions set out on the proxy form.

Alternatively, you can vote online at [www.linkmarketservices.com.au/](http://www.linkmarketservices.com.au/), or in person by attending the AGM.

Proxy voting instructions (by proxy form or online voting) must be received by Link by no later than 10:00am (AWST) on Sunday, 15 November 2020 – instructions received after that time will not be valid for the AGM.

***COSOL encourages all shareholders to vote prior to the AGM by returning their proxy voting instructions before the deadline, and advises that all voting in respect of resolutions considered at the AGM will be conducted on a poll.***

### **Electronic communications**

COSOL encourages all shareholders to communicate with COSOL by email at [info@cosol.com.au](mailto:info@cosol.com.au) and with Link (COSOL's share registry) through its secure website at [www.linkmarketservices.com.au/](http://www.linkmarketservices.com.au/). These methods allow COSOL to keep you informed without delay, are environmentally friendly, and reduce print and mail costs.

***Please register to receive electronic communications and update your shareholder details online at [www.linkmarketservices.com.au/](http://www.linkmarketservices.com.au/).***

Please contact me by email at [info@cosol.com.au](mailto:info@cosol.com.au) should you have any queries about this letter, the Notice or the AGM.

Yours faithfully

**Ben Secrett**  
Company Secretary

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**COSOL LIMITED**

**ACN 635 371 363 (COMPANY)**

**NOTICE OF ANNUAL GENERAL MEETING & EXPLANATORY STATEMENT**

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Notice is given that the Annual General Meeting of the Company will be held as follows:

**TIME:** 10:00am (AWST)

**DATE:** Tuesday 17 November 2020

**PLACE:** Yerrigan Room, Liberty Conference Centre on the  
Ground Floor of 197 St George's Terrace, Perth WA

*As this is an important document, please read it carefully and in its entirety. If you do not understand it please consult your professional advisors.*

*If you are unable to attend the Annual General Meeting, please complete the proxy form enclosed and return it in accordance with the instructions set out on that form.*

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## INTRODUCTION

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Notice is given that the Annual General Meeting of Shareholders of the Company will be held in the Yerrigan Room of the Liberty Conference Centre on the Ground Floor of 197 St George's Terrace, Perth WA on Tuesday 17 November 2020 commencing at 10:00am (AWST). The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The terms and abbreviations used in this Notice and Explanatory Statement are defined in the attached Glossary.

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## COVID-19 MEETING PROTOCOLS

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The Company advises Shareholders that the Meeting will be held to comply with the Government's recommendations in relation to gatherings of persons during the current COVID-19 situation. As at the date of this notice, Government directives and recommendations on gatherings and travel restrictions mean that some Shareholders may not be able to attend the Meeting in person. The Company therefore strongly encourages Shareholders who wish to vote on the business of the Meeting to do so by lodging a directed proxy prior to the date of Meeting as per the instructions on the Proxy Form.

Shareholders can submit any questions in advance of the Meeting by emailing them to [info@cosol.com.au](mailto:info@cosol.com.au).

The Meeting will consider only the business detailed in the Agenda below, followed by a Company update presentation made to Shareholders.

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## AGENDA

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### FINANCIAL REPORT (NO RESOLUTION REQUIRED)

To receive the Financial Report of the Company for the year ended 30 June 2020 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

Note: This item of business is for discussion only and is not a resolution.

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### 1 RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

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

*"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report appearing in the Company's Annual Report for the year ended 30 June 2020."*

**Note:** Under section 250R(3) of the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

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

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

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

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

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## 2 RESOLUTION 2 – RE-ELECTION OF DIRECTOR – GRANT PESTELL

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

*“That Grant Pestell, a Director who retires by rotation in accordance with rule 6.3 of the Constitution and, being eligible and offering himself for re-election as a Director, is so re-elected.”*

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## 3 RESOLUTION 3 - APPOINTMENT OF AUDITOR

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

*“That, for the purposes of section 327B of the Corporations Act and for all other purposes, Elderton Audit Pty Ltd, having been nominated and having consented in writing to act as auditor of the Company, be appointed as auditor of the Company, on the terms and conditions set out in the Explanatory Statement.”*

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## 4 RESOLUTION 4 – APPROVAL OF EMPLOYEE OPTION PLAN

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

*“That, for the purposes 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 Option Plan” and for the issue of securities under that 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) a person who is eligible to participate in the employee incentive scheme; or
- (b) an associate of that person or those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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:** A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

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

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

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

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## 5 RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF OPTIONS UNDER EMPLOYEE OPTION PLAN

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

*“That for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the prior issue of 2,000,000 Options, each with an exercise price of \$0.36255 and exercisable on or before 15 October 2021, to various employees of the Company 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 participated in the issue or is a counterparty to the agreement being approved.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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:** A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

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

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

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution;
- (b) the voter is the Chair and the appointment of the Chair as proxy;
- (c) does not specify the way the proxy is to vote on this Resolution; and

expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, or if the Company is part of a consolidated entity, for the entity.

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## 6 RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF OPTIONS UNDER EMPLOYEE OPTION PLAN

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

*“That for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the prior issue of 3,000,000 Options, each with an exercise price of \$0.415 and exercisable on or before 13 October 2023, to various employees of the Company 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 participated in the issue or is a counterparty to the agreement being approved.

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

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



- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- 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:** A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

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

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

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution;
- (b) the voter is the Chair and the appointment of the Chair as proxy;
- (c) does not specify the way the proxy is to vote on this Resolution; and

expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, or if the Company is part of a consolidated entity, for the entity.

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## 7 RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF OPTIONS UNDER EMPLOYEE OPTION PLAN

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

*“That for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the prior issue of 762,500 Options, each with an exercise price of \$0.61 and exercisable on or before 2 September 2022, to various employees of the Company 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 participated in the issue or is a counterparty to the agreement being approved.

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

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

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## 8 RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF OPTIONS UNDER EMPLOYEE OPTION PLAN

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

*“That for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the prior issue of 762,500 Options, each with an exercise price of \$0.70 and exercisable on or before 2 September 2022, to various employees of the Company 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 participated in the issue or is a counterparty to the agreement being approved.

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

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

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## 9 RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF OPTIONS TO BUCKLEY ADVISORY GROUP PTY LTD

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

*“That for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the prior issue of 1,500,000 Options, each with an exercise price of \$0.90 and exercisable on or before 29 September 2024, to Buckley Advisory Group Pty Ltd 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) Buckley Advisory Group Pty Ltd; or
- (b) an associate of Buckley Advisory Group Pty Ltd,

and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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:** A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

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

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

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution;
- (b) the voter is the Chair and the appointment of the Chair as proxy;
- (c) does not specify the way the proxy is to vote on this Resolution; and

expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, or if the Company is part of a consolidated entity, for the entity.

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**10 RESOLUTON 10 – RATIFICATION OF PRIOR ISSUE OF OPTIONS TO BUCKLEY ADVISORY GROUP PTY LTD**

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

*“That for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the prior issue of 1,500,000 Options, each with an exercise price of \$1.00 and exercisable on or before 29 September 2024, to Buckley Advisory Group Pty Ltd 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) Buckley Advisory Group Pty Ltd; or
- (b) an associate of Buckley Advisory Group Pty Ltd,

and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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:** A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

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

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

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution;
- (b) the voter is the Chair and the appointment of the Chair as proxy;
- (c) does not specify the way the proxy is to vote on this Resolution; and

expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, or if the Company is part of a consolidated entity, for the entity.

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**11 RESOLUTON 11 – RATIFICATION OF PRIOR ISSUE OF COMPLETION SHARES**

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

*“That for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the prior issue of 4,271,695 Completion Shares to Glenn “Max” Rogers (or his nominee(s)) on the terms and conditions set out in the Explanatory Statement.”*

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

- (a) Glenn “Max” Rogers (or his nominee(s)); or
- (b) an associate of Glenn “Max” Rogers (or his nominee(s)),

and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).

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

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

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company at 5pm (WST) on Sunday 15 November 2020.

**By Order of the Board**

A handwritten signature in black ink, appearing to read 'Ben Secrett', with a long horizontal flourish extending to the right.

**Ben Secrett**  
Company Secretary  
16 October 2020

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of Shareholders of COSOL Limited (**Company**) in connection with the business to be conducted at the Annual General Meeting of the Company to be held in the Yerrigan Room of the Liberty Conference Centre on the Ground Floor of 197 St George's Terrace, Perth WA on Tuesday, 17 November 2020 commencing at 10:00am (AWST).

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

A Proxy Form has been dispatched Shareholders together with a letter advising Shareholders that the Company is not dispatching physical copies of the Notice of Meeting and Explanatory Statement and where those documents are available for viewing and downloading.

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### FINANCIAL REPORT (NO RESOLUTION REQUIRED)

The Corporations Act requires the Financial Report, Directors' Report and the Auditor's Report to be received and considered at the Annual General Meeting. A printed hard copy of the annual Financial Report which includes the Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2020, has been sent to all Shareholders who requested it. The Annual Report is also available on ASX's website at [https://asx.api.markitdigital.com/asx-research/1.0/file/2924-02271980-6A992877?access\\_token=83ff96335c2d45a094df02a206a39ff4](https://asx.api.markitdigital.com/asx-research/1.0/file/2924-02271980-6A992877?access_token=83ff96335c2d45a094df02a206a39ff4).

There is no requirement for Shareholders to approve those reports. However, the Chair will allow a reasonable opportunity at the Meeting for Shareholders to ask questions or make comments about those reports and the management of the Company.

Shareholders will also be given an opportunity to ask the auditor or its representatives questions about the conduct of the audit and the preparation and content of the Auditor's Report.

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## 1 RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

### 1.1 General

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

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

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

### 1.2 Voting consequences

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

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

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

### 1.3 Previous voting results

This Annual General Meeting is the Company's first annual general meeting since listing on ASX. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

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## **2 RESOLUTION 2 – RE-ELECTION OF DIRECTOR – GRANT PESTELL**

In accordance with rule 6.3(d) of the Constitution, an election of Directors shall take place each year. Under rule 6.3(b) of the Constitution, at every annual general meeting, each Director who has retained office for more than three years since their appointment shall retire from office and is eligible for re-election. Under rule 6.3(e) of the Constitution, if at any annual general meeting no Director is required to retire under the terms of rule 6.3(b) of the Constitution, then the Director who has been longest in office since their last election shall retire from office. These requirements for a Director to retire do not apply to a Managing Director.

Mr Pestell retires in accordance with rule 6.3 of the Constitution and, being eligible for re-election, offers himself for re-election as a Director at the Annual General Meeting.

Mr Pestell has been the managing director of Perth-based legal firm Murcia Pestell Hillard since 2000. He has extensive experience advising both listed and private companies particularly in the ICT, energy and resources and mining services industries. He is regularly involved in and advises on complex commercial disputes, strategic contract negotiations, mergers and acquisitions, risk management and large-scale financing. Mr Pestell was an independent non-executive director of formerly-listed ASG Group Ltd (ASX: ASZ) until it was acquired and delisted in late 2016 for \$350 million by Japanese multinational IT services and consulting business Nomura Research Institute, Ltd. Mr Pestell is currently the non-executive chair of RooLife Group Limited (ASX: RLG).

The Board (other than Mr Pestell, to whom Resolution 2 relates) supports and recommends that Shareholders vote in favour of the re-election of Mr Pestell.

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## **3 RESOLUTION 3 – APPOINTMENT OF AUDITOR**

### **3.1 General**

Elderton Audit Pty Ltd was appointed as auditor of the Company pursuant to section 327A(1) of the Corporations Act.

An auditor appointed under this provision holds office until the first annual general meeting of Shareholders.

This Resolution seeks Shareholder approval for the appointment of Elderton Audit Pty Ltd as auditor of the Company.

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

In accordance with section 328A(1) of the Corporations Act, Elderton Audit Pty Ltd has given its written consent to act as the Company's auditor subject to the Company obtaining Shareholder approval of this Resolution.

If this Resolution is passed, the appointment of Elderton Audit Pty Ltd as the Company's auditor will resume from the close of this Annual General Meeting.

### **3.2 Directors' recommendations**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

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## **4 RESOLUTION 4 – APPROVAL OF EMPLOYEE OPTION PLAN**

### **4.1 General**

Resolution 4 seeks Shareholder approval for the adoption of the employee incentive scheme titled "Employee Option Plan" (**Plan**) and for the issue of Options under the Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Plan is to attract, motivate and retain key employees. The Company considers that the adoption of the Plan and the future issue of Options under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

A copy of the Plan is set out in Appendix 1.

#### **4.2 Listing Rule 7.1**

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

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three 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.

Listing Rule 7.2 (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)). Listing Rule 7.2 (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.

#### **4.3 Technical information required by Listing Rule 14.1A**

If Resolution 4 is passed, the Company will be able to issue Options under the Plan to eligible participants over a period of 3 years. The issue of any Options to eligible participants under the Plan (up to the maximum number of Options stated in Section 4.4(c) below) will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company will be required to seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of Options under the 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 4 is not passed, the Company will be able to proceed with the issue of Options under the Plan to eligible participants, but any issues of Options will reduce, to that extent, the Company's capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the Options.

#### **4.4 Technical information required by Listing Rule 7.2 (Exception 13)**

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 4:

- (a) a copy of the Plan is set out in Appendix 1;
- (b) since its listing, the Company has issued a total of 6,525,000 Options under the Plan (which are the subject of Resolutions 5 to 8);
- (c) the maximum number of Equity Securities proposed to be issued under the Plan following Shareholder approval is 6,750,000 Equity Securities, and is also subject to the 5% issue limit contained in the Australian Securities and Investments Commission's class order relief regarding employee incentive schemes (the Company currently has 131,771,965 fully paid ordinary shares on issue). It is not envisaged that the maximum number of Equity Securities for which approval is sought will be issued immediately, if at all; and
- (d) a voting exclusion statement is included in the Notice of Meeting.

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## **5 RESOLUTIONS 5 TO 8 – RATIFICATION OF PRIOR ISSUE OF OPTIONS TO EMPLOYEES**

### **5.1 General**

As previously announced by the Company on 8 May 2020 and 11 August 2020, the Company has issued a total of 6,525,000 Options to various employees of and consultants to the Company. The Options were issued as follows:

- (a) 2,000,000 Options are exercisable at \$0.3625 each on or before 15 October 2021 and are the subject of Resolution 5;
- (b) 3,000,000 Options are exercisable at \$0.415 each on or before 15 October 2023 and are the subject of Resolution 6;
- (c) 762,500 Options are exercisable at \$0.61 each on or before 2 September 2022 and are the subject of Resolution 7; and

- (d) 762,500 Options are exercisable at \$0.70 each on or before 2 September 2023 and are the subject of Resolution 8.

(collectively, **Employee Options**).

The Employee Options were issued under the Plan, which was adopted by the Board on 23 April 2020 and for which Shareholder approval is being sought under Resolution 4. However, the Plan has not yet been approved by Shareholders and the issue of the Employee Options does not fit within any of the exceptions in Listing Rule 7.2. Accordingly, as the issue of the Employee Options has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Employee Options.

The Company confirms it had the required capacity to issue the Employee Options under Listing Rule 7.1 at the time of issue.

## 5.2 Specific terms of Employee Options

Specific terms of the Employee Options the subject of Resolutions 5 to 8 are set out below.

### 2,000,000 Options the subject of Resolution 5

- **Vesting Date:** The Employee Options have a vesting date of 21 August 2021.
- **Exercise Date:** The Employee Options are exercisable on and from 1 September 2021.
- **Exercise Price:** \$0.3625 each.
- **Expiry Date:** On or before 15 October 2021.

### 3,000,000 Options the subject of Resolution 6

- **Vesting Date:** The Employee Options have the following vesting dates:
  - (a) 50% vest on 21 August 2022; and
  - (b) 50% vest on 21 August 2023.
- **Exercise Date:** The Employee Options have the following exercise dates.
  - (a) 50% are exercisable on and from 1 September 2022; and
  - (b) 50% are exercisable on and from 1 September 2023.
- **Exercise Conditions:** The Employee Options are subject to the following vesting conditions:

% of Employee Options	Exercise Condition
20%	Each financial year based on TSR indexed against the ASX Small Industrials Index, with 50% vesting if the TSR is equal to the Index, and an additional 4% vesting for each 1% by which the TSR exceeds the Index.
40%	Each financial year based on achieving strategic objectives as defined by the Board (including non-financial measures), with 4% vesting for each percentile achieved above the 75 <sup>th</sup> percentile.
40%	Each financial year based on achieving budgeted EBIT and ROC for COSOL Australia Pty Ltd, with 4% vesting for each percentile achieved above the 75 <sup>th</sup> percentile.

Any Employee Options which do not vest will automatically lapse.

- **Claw-back:** The Board reserves the right to 'claw back' vested Employee Options in the event that material errors in satisfaction of performance milestones are discovered.
- **Exercise Price:** \$0.415 each.
- **Expiry Date:** On or before 26 September 2022.



#### 762,500 Options the subject of Resolution 7

- **Vesting Date:** The Employee Options have a vesting date of 31 August 2021.
- **Exercise Date:** The Employee Options are exercisable on and from 1 September 2021.
- **Exercise Conditions:** The Employee Options are subject to the following vesting conditions:
  - For all Employee Options the subject of Resolution 7, the holder must remain employed with the Company or its Related Bodies Corporate at the time of exercise.
  - For 637,500 of the Employee Options: 20% increase on FY21 budgeted Company EBITDA, with 50% vesting on a 10% increase, 75% vesting on a 15% increase and 100% vesting on a 20% increase.
  - For 125,000 of the Employee Options:

% of Employee Options	Exercise Condition
20%	Each financial year based on TSR indexed against the ASX Small Industrials Index, with 50% vesting if the TSR is equal to the Index, and an additional 4% vesting for each 1% by which the TSR exceeds the Index.
40%	Each financial year based on achieving M&A business case financials as defined by the Board, with 4% vesting for each percentile achieved above the 75 <sup>th</sup> percentile.
40%	Each financial year based on achieving budgeted Company NPAT and ROE, with 4% vesting for each percentile achieved above the 75 <sup>th</sup> percentile.

Any Employee Options which do not vest will automatically lapse.

- **Claw-back:** The Board reserves the right to 'claw back' vested Employee Options in the event that material errors in satisfaction of performance milestones are discovered.
- **Acceleration:** The Employee Options are subject to accelerated vesting events including total and permanent disablement, redundancy, death and change of ownership of the Company.
- **Exercise Price:** \$0.61 each.
- **Expiry Date:** On or before 2 September 2022.

#### 762,500 Options the subject of Resolution 8

- **Vesting Date:** The Employee Options have a vesting date of 31 August 2022.
- **Exercise Date:** The Employee Options are exercisable on and from 1 September 2022.
- **Exercise Conditions:** The Employee Options are subject to the following vesting conditions:
  - For all Employee Options the subject of Resolution 8, the holder must remain employed with the Company or its Related Bodies Corporate at the time of exercise.
  - For 637,500 of the Employee Options: 20% increase on FY22 budgeted Company EBITDA, with 50% vesting on a 10% increase, 75% vesting on a 15% increase and 100% vesting on a 20% increase.
  - For 125,000 of the Employee Options:

% of Employee Options	Exercise Condition
20%	Each financial year based on TSR indexed against the ASX Small Industrials Index, with 50% vesting if the TSR is equal to the Index, and an additional 4% vesting for each 1% by which the TSR exceeds the Index.

% of Employee Options	Exercise Condition
40%	Each financial year based on achieving M&A business case financials as defined by the Board, with 4% vesting for each percentile achieved above the 75 <sup>th</sup> percentile.
40%	Each financial year based on achieving budgeted Company NPAT and ROE, with 4% vesting for each percentile achieved above the 75 <sup>th</sup> percentile.

Any Employee Options which do not vest will automatically lapse.

- **Claw-back:** The Board reserves the right to 'claw back' vested Employee Options in the event that material errors in satisfaction of performance milestones are discovered.
- **Acceleration:** The Employee Options are subject to accelerated vesting events including total and permanent disablement, redundancy, death and change of ownership of the Company.
- **Exercise Price:** \$0.70 each.
- **Expiry Date:** On or before 2 September 2023.

#### All Employee Options

All Employee Options will otherwise be issued on the terms of the Plan, which is set out in Appendix 1.

### **5.3 Listing Rule 7.1 and 7.4**

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

The issue of the Employee Options does not fit within any of the exceptions in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Employee Options.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further Equity Securities without Shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolutions 5 to 8 seek Shareholder approval to the issue of the 6,525,000 Employee Options under and for the purposes of Listing Rule 7.4.

### **5.4 Technical information required by Listing Rule 14.1A**

If each of Resolutions 5 to 8 are passed, the issue of:

- the 2,000,000 Employee Options the subject of Resolution 5;
- the 3,000,000 Employee Options the subject of Resolution 6;
- the 762,500 Employee Options the subject of Resolution 7; and
- the 762,500 Employee Options the subject of Resolution 8,

will in each case be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue of the Employee Options.

If each of Resolutions 5 to 8 are not passed, the issue of:

- the 2,000,000 Employee Options the subject of Resolution 5;
- the 3,000,000 Employee Options the subject of Resolution 6;
- the 762,500 Employee Options the subject of Resolution 7; and

(d) the 762,500 Employee Options the subject of Resolution 8,

will in each case be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Employee Options.

## 5.5 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 5 to 8:

- (a) the Employee Options were issued to employees of and consultants to the Company and its wholly owned operating subsidiary, COSOL Australia Pty Ltd (**COSOL Australia**). The recipients included:
- (i) SNJ Business Solutions Pty Ltd, an entity associated with the Chief Executive Officer of COSOL Australia, Scott McGowan; and
  - (ii) Buckley Advisory Group Pty Ltd, an entity associated with Ben Buckley, a consultant to the Company at the time that the Employee Options were issued, and subsequently appointed as a Director of the Company on 6 October 2020.

None of the other recipients of the Employee Options is a Related Party of the Company, a member of Key Management Personnel, a substantial holder in the Company, an adviser to the Company or an associate of any such person;

- (b) a total of 6,525,000 Employee Options were issued;
- (c) the Employee Options were issued on the following dates:
- (i) the 2,000,000 Employee Options the subject of Resolution 5 and the 3,000,000 Employee Options the subject of Resolution 6 were issued on 8 May 2020; and
  - (ii) the 762,500 Employee Options the subject of Resolution 7 and the 762,500 Employee Options the subject of Resolution 8 were issued on 11 August 2020;
- (d) the issue price per Employee Option was nil as the Employee Options were issued as part of the remuneration packages of the employees and with an aim to align the interests of those employees with that of Shareholders;
- (e) no funds were raised from the issue of the Employee Options;
- (f) the Employee Options were issued on the terms and conditions set out in Section 5.2 and otherwise under the Plan, a copy of which is set out in Appendix 1; and
- (g) a voting exclusion statement is included in this Notice.

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## 6 RESOLUTIONS 9 AND 10 – RATIFICATION OF PRIOR ISSUE OF OPTIONS TO BUCKLEY ADVISORY GROUP PTY LTD

### 6.1 General

As previously announced by the Company on 6 October 2020, the Company has issued a total of 3,000,000 Options (**BB Options**) to Buckley Advisory Group Pty Ltd, an entity associated with the Company's Managing Director, Ben Buckley. The BB options were issued in connection with the agreement to appoint Mr Buckley as the Company's Managing Director and as part of his agreed remuneration package.

The BB Options were issued as follows:

- (a) 1,500,000 BB Options are exercisable at \$0.90 each on or before 29 September 2024 and are the subject of Resolution 9; and
- (b) 1,500,000 BB Options are exercisable at \$1.00 each on or before 29 September 2024 and are the subject of Resolution 10.

### 6.2 Terms of BB Options

The BB Options have the following terms:

#### 1,500,000 BB Options the subject of Resolution 9

- **Vesting Date:** The BB Options do not have a vesting date.
- **Exercise Date:** The BB Options are exercisable on and from the date of their issue.

- **Exercise Conditions:** The BB Options do not have any exercise conditions.
- **Exercise Price:** \$0.90 each.
- **Expiry Date:** On or before 29 September 2024.

1,500,000 BB Options the subject of Resolution 10

- **Vesting Date:** The BB Options have a vesting date 2 October 2022.
- **Exercise Date:** The BB Options are exercisable on and from the date of vesting.
- **Exercise Conditions:** The BB Options are subject to the following vesting conditions:
  - For all BB Options the subject of Resolution 10, the holder must remain employed with the Company or its Related Bodies Corporate at the time of exercise.
  - The BB Options otherwise have the following specific vesting conditions:

% of Employee Options	Exercise Condition
20%	Based on TSR indexed against the ASX Small Industrials Index, with 50% vesting if the TSR is equal to the Index, and an additional 4% vesting for each 1% by which the TSR exceeds the Index.
40%	Based on achieving M&A business case/budget numbers as defined by the Board, with 4% vesting for each percentile achieved above the 75 <sup>th</sup> percentile.
40%	Based on achieving budgeted Company NPAT and ROE, with 4% vesting for each percentile achieved above the 75 <sup>th</sup> percentile.

Any Employee Options which do not vest will automatically lapse.

- **Claw-back:** The Board reserves the right to 'claw back' vested BB Options in the event that material errors in satisfaction of performance milestones are discovered.
- **Acceleration:** The BB Options are subject to accelerated vesting events including total and permanent disablement, redundancy, death and change of ownership of the Company.
- **Exercise Price:** \$1.00 each.
- **Expiry Date:** On or before 29 September 2024.

The BB Options were otherwise issued under the Plan, which was adopted by the Board on 23 April 2020 and for which Shareholder approval is being sought under Resolution 4 (a copy which is set out in Appendix 1). However, the Plan has not yet been approved by Shareholders and the issue of the BB Options does not fit within any of the exceptions in Listing Rule 7.2. Accordingly, as the issue of the BB Options has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the BB Options. The Company confirms it had the required capacity to issue the BB Options under Listing Rule 7.1 at the time of issue.

### 6.3 Listing Rules 10.11 and 10.12 (Exception 12)

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

- a Related Party;
- a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;

- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (e) a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

Listing Rule 10.12 (Exception 12) provides an exception to Listing Rule 10.11 where the person is a Related Party by reason only of the agreement between the person and the Company which is the reason for the issue of the securities and the application to it of section 228(6) of the Corporations Act.

At the time the BB Options were agreed to be issued, Mr Buckley was not a Related Party of the Company and had no influence over the Board's deliberations and decision to issue the BB Options.

The BB Options were issued in reliance on Listing Rule 10.12 (Exception 12) and, accordingly, prior Shareholder approval was not obtained in respect of the issue of the BB Options under Listing Rule 10.11.

#### **6.4 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a Related Party of the public company, the public company or entity must:

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

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

The issue of the BB Options constitutes giving a financial benefit. Mr Buckley is a Related Party of the Company by virtue of being a Director.

The BB Options were issued without Shareholder approval under Chapter 2E of the Corporations Act, on the basis that the agreement to grant the BB Options, which was reached as part of the negotiation of Mr Buckley's remuneration package and before his appointment as a Director, was considered reasonable in the circumstances and was negotiated on arm's length terms. It therefore falls within the exception in section 210 of the Corporations Act and, accordingly, Shareholder approval for the issue of the BB Options was not sought for the purposes of Chapter 2E of the Corporations Act.

#### **6.5 Listing Rule 7.1 and 7.4**

A summary of Listing Rules 7.1 and 7.4 is set out in Sections 4.2 and 5.3 above respectively.

The issue of the BB Options does not fit within any of the exceptions in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the BB Options.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolutions 9 and 10 seek Shareholder approval to the issue of the 3,000,000 BB Options under and for the purposes of Listing Rule 7.4.

#### **6.6 Technical information required by Listing Rule 14.1A**

If Resolution 9 is passed, the issue of the 1,500,000 BB Options the subject of Resolution 9 will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue of the BB Options.

If Resolution 9 is not passed, the issue of the 1,500,000 BB Options the subject of Resolution 9 will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the BB Options.

If Resolution 10 is passed, the issue of the 1,500,000 BB Options the subject of Resolution 10 will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue of the BB Options.

If Resolution 10 is not passed, the issue of the 1,500,000 BB Options the subject of Resolution 10 will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities

the Company can issue without Shareholder approval over the 12 month period following the date of issue of the BB Options.

## 6.7 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 9 and 10:

- (a) the BB Options were issued to Buckley Advisory Group Pty Ltd, an entity associated with the Company's Managing Director, Ben Buckley. Mr Buckley is a Related Party of the Company by virtue of being a Director;
- (b) a total of 3,000,000 BB Options were issued;
- (c) the BB Options were issued on 6 October 2020;
- (d) the issue price per Employee Option was nil as the BB Options were issued as part of the remuneration package for Mr Buckley in connection with his appointment as the Company's Managing Director;
- (e) no funds were raised from the issue of the BB Options;
- (f) the BB Options were issued on the terms and conditions set out in Section 6.2 and otherwise under the Plan, a copy of which is set out in Appendix 1; and
- (g) a voting exclusion statement is included in this Notice.

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## 7 RATIFICATION OF PRIOR ISSUE OF COMPLETION SHARES (RESOLUTION 11)

### 7.1 General

On 5 October 2020, the Company entered into a binding Share Purchase Agreement (**SPA**) with Glenn "Max" Rogers (**Vendor**) and AddOns, Inc. (**AddOns**), in relation to the purchase by the Company of all of the issued shares in AddOns, a US-based managed services IT and professional services organisation. The material terms of the SPA were disclosed by the Company in its ASX Announcement dated 6 October 2020.

Under the terms of the SPA, the Vendor is entitled to:

- (a) upfront consideration payable upon completion under the SPA (**Completion**), comprising:
  - (i) US\$1.5 million in cash; and
  - (ii) 4,271,695 Shares (**Completion Shares**) each having a deemed issue price of \$0.49 per Completion Share and which will be subject to voluntary escrow until 31 December 2021; and
- (b) potentially up to two further instalments of deferred consideration (**Earn Out Consideration**), depending on the performance of the AddOns business in the 12-month periods ending 31 December 2021 and 31 December 2021 (each defined in the SPA as a **Relevant Period**).

An instalment of Earn Out Consideration will be payable to the Vendor provided:

- (a) he remains employed throughout the Relevant Period (subject to certain permitted exceptions); and
- (b) the audited EBITDA for AddOns meets or exceeds certain thresholds in the 12 month period ended 31 December 2020 and in each Relevant Period, as follows:
  - 2020: US\$810,000;
  - 2021: US\$1,100,000; and
  - 2022: US\$1,200,000.

An instalment of Earn Out Consideration will be payable based on the extent to which AddOns' EBITDA in a Relevant Period exceeds the base EBITDA figure established for 2020 (being the greater of US\$900,000 or the actual EBITDA achieved in 2020), in accordance with the following formula:

$$EOC = ((CE - PE) \times M) - D$$

where:

EOC = The total Earn Out Consideration in United States dollars payable to the Vendor in relation to the Relevant Period in question;

- CE = Current EBITDA (being EBITDA for the Relevant Period, as determined from management accounts following the audit of AddOns' accounts for the Relevant Period);
- PE = Previous EBITDA (being the greater of the Audited FY20 EBITDA and US\$900,000);
- M = The multiple applicable to that Relevant Period (being 2 for the financial year ended 31 December 2021 and 1.5 for the financial year ended 31 December 2022); and
- D = The discount applicable to the extent that the actual Audited FY20 EBITDA is less than US\$900,000 but no less than US\$810,000, such discount for each Relevant Period to be equal to 2.5 x the amount by which that actual Audited FY20 EBITDA falls short of US\$900,000.

The SPA otherwise relevantly provides that:

- (a) the Company's overall liability in relation to payments of Earn out Consideration is capped at US\$1.75 million in the aggregate;
- (b) an instalment of Earn Out Consideration for a Relevant Period will be payable to the Vendor no later than 7 days after the date on which the Company releases its audited, or audit reviewed, financial statements for the Relevant Period to the ASX (**Release Date**);
- (c) at least 50% of any Earn Out Consideration will be satisfied by way of an issue of Shares (**Deferred Consideration Shares**), provided that the Company may elect to increase that percentage, up to an overall share cap of 5,000,000 Deferred Consideration Shares, with the balance to be satisfied in cash; and
- (d) the deemed price at which Deferred Consideration shares will be issued will be the VWAP for the 14 trading days immediately prior to the Release Date, multiplied by the prevailing AUD:USD exchange rate as at 9:00am (WST) on the Release Date.

Resolution 11 seeks ratification of the prior issue of 4,271,695 Completion Shares.

The Company requires a waiver from Listing Rule 7.3.4 from ASX before being able to seek Shareholder approval for the issue of the Deferred Consideration Shares (as the Deferred Consideration Shares will not be issued within 3 months of the Meeting as required under Listing Rule 7.3.4). As at the date of this Notice, the Company has not obtained such a waiver from ASX and accordingly is not seeking Shareholder approval for the issue of the Deferred Consideration Shares. Should the Company obtain a waiver from ASX prior to the Meeting, the Company may release an addendum to this Notice including a Resolution seeking Shareholder approval to issue the Deferred Consideration Shares under Listing Rule 7.1.

## 7.2 Listing Rules 7.1 and 7.4

A summary of Listing Rules 7.1 and 7.4 is set out in Sections 4.2 and 5.3 above respectively.

The issue of the Completion Shares does not fit within any of the exceptions in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Completion Shares.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 11 seeks Shareholder approval to the issue of the 4,271,695 Completion Shares under and for the purposes of Listing Rule 7.4.

## 7.3 Technical information required by Listing Rule 14.1A

If Resolution 11 is passed, the issue of the 4,271,695 Completion Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue of the Completion Shares.

If Resolution 11 is not passed, the issue of the 4,271,695 Completion Shares the subject of Resolution 11 will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Completion Shares.

## 7.4 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 11:

- (a) the Completion Shares were issued to Mr Glenn “Max” Rogers and two of his nominees, none of whom are a Related Party of the Company, a member of Key Management Personnel, a substantial holder in the Company, an adviser to the Company or an associate of any such person;
- (b) a total of 4,271,695 Completion Shares were issued;
- (c) the Completion Shares are fully paid ordinary shares in the capital of the Company issued on the same terms as the Company’s existing Shares;
- (d) the Completion Shares were issued on 15 October 2020;
- (e) the deemed issue price per Completion Share is be \$0.49;
- (f) no funds were raised from the issue of the Completion Shares as they were being issued as partial consideration for completion of the acquisition of AddOns by the Company;
- (g) a summary of the material terms of the SPA is set out in Appendix 2; and
- (h) a voting exclusion statement is included in this Notice.



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## GLOSSARY

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\$ means Australian dollars.

**AddOns** means AddOns, Inc.

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

**Annual Report** means the annual report of the Company for the financial year ended 30 June 2020.

**Appendix** means an appendix to this Notice.

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

**Auditor's Report** means the auditor's report contained in the Annual Report.

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

**BB Options** has the meaning given in Section 6.1.

**Board** means the Directors acting as the board of directors of the Company or a committee appointed by such board of directors.

**Chair** or **Chairman** means the chair of the Annual General Meeting.

**Closely Related Party** of 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 dependent of the member or 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 dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations.

**Company** means COSOL Limited ACN 635 371 363.

**Completion** has the meaning given in Section 7.1.

**Completion Shares** has the meaning given in Section 7.1.

**Constitution** means the Company's Constitution.

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

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

**Deferred Consideration Shares** has the meaning given in Section 7.1.

**Director** means a current director of the Company.

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

**Earn out Consideration** has the meaning given in Section 7.1.

**EBIT** means earnings before interest and taxes.

**EBITDA** means earnings before interest, taxation, depreciation and amortization.

**Employee Options** has the meaning given in Section 5.1.

**Equity Securities** has the same meaning as given in the Listing Rules.

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

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

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

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

**Notice** or **Notice of Meeting** means the notice of meeting which forms part of this Explanatory Statement.

**NPAT** means net profit after tax.

**Option** means an option to acquire one Share.

**Plan** means the Company's Employee Option Plan which is the subject of Resolution 4.

**Proxy Form** means the enclosed appointment of proxy form.

**Related Body Corporate** has the meaning set out in section 50 of the Corporations Act.

**Related Party** is defined in section 228 of the Corporations Act.

**Release Date** has the meaning given in Section 7.1.

**Relevant Period** has the meaning given in Section 7.1.

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

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

**ROC** means return on capital.

**ROE** means return on equity.

**Section** means a section contained in this Explanatory Statement.

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

**Shareholder** means a registered holder of a Share.

**SPA** has the meaning given in Section 7.1.

**Spill Resolution** and **Spill Meeting** each have the meaning given in Section 1.2.

**TSR** means total shareholder return.

**US\$** means United States dollars

**Vendor** has the meaning given in Section 7.1.

**VWAP** means the volume weighted average trading price of the Shares on ASX.

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# Employee Option Plan Rules

As adopted by the COSOL Limited Board of Directors effective on 23 April 2020.

## CONTENTS

1. Introduction	Page 2
2. Defined Terms and Interpretation	Page 2
3. Principal Conditions	Page 6
4. Operation of the Plan	Page 6
5. Offers	Page 6
6. Application for Options	Page 7
7. Issue of Options	Page 8
8. Exercise of Options	Page 9
9. Lapse of Options	Page 10
10. Dealing with Options	Page 10
11. Participation Rights, Bonus Issues, Reorganisations of Capital and Winding Up	Page 11
12. Quotation of Shares	Page 13
13. Administration of the Plan	Page 13
14. Amendment to Rules	Page 14
15. Rights of Participants	Page 14
16. Notices	Page 14
17. Governing Law	Page 15
18. Advice	Page 15

## 1. Introduction

### 1.1 Name of the Plan

The Plan is called the COSOL Limited Employee Option Plan.

### 1.2 Objects of the Plan

The objects of the Plan are to:

- (a) provide an incentive for Eligible Employees to remain in their employment in the long term;
- (b) recognise the ongoing ability of Eligible Employees and their expected efforts and contribution in the long term to the performance and success of the Group; and
- (c) provide Eligible Employees with the opportunity to acquire Options, and ultimately Shares, in the Company, in accordance with these Rules.

### 1.3 Commencement of the Plan

The Plan commences on the date determined by the Plan Committee.

## 2. Defined Terms and Interpretation

### 2.1 Defined Terms

In these Rules, unless the context otherwise requires:

**Accelerated Vesting Event** means the occurrence of:

- (a) a Special Circumstance in respect of a Participant; and
- (b) a circumstance set out in Rule 10.3.

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

- (a) the Corporations Act;
- (b) Corporations Regulations;
- (c) the Listing Rules;
- (d) any other applicable securities laws;
- (e) the constitution of the Company; and
- (f) any practice note, policy statement, class order, declaration, guideline, policy or procedure authorising or entitling ASIC or ASX to regulate, implement or enforce, either directly or indirectly:
  - (i) a provision of the laws, regulations, rules or constitution referred to in paragraphs (a) to (e); or
  - (ii) any agreement or deed made under the laws, regulations, rules or constitution referred to in paragraphs (a) to (e); or
  - (iii) a person's conduct or proposed conduct under the laws, regulations, rules or constitution referred to in paragraphs (a) to (e), or any agreement or deed referred to in paragraph (f)(ii).

**Application Form** means a duly completed and executed application for the issue of Options made

by an Eligible Employee in respect of an Offer, in the form approved by the Plan Committee from time to time.

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

**Associated Body Corporate** means a body corporate that

- (a) is a related body corporate of the Company; or
- (b) has voting power in the Company of not less than 20%; or
- (c) the Company has voting power in of not less than 20%,

where '**voting power**' is as defined in section 610 of the Corporations Act.

**ASX** means Australian Securities Exchange Limited ABN 98 008 624 691.

**Board** means all or some of the directors of the Company acting as a board or its delegate under section 198D of the Corporations Act.

**Certificate** means, with respect to an Option, a certificate issued under these Rules in the form approved by the Plan Committee from time to time, or if the Plan Committee determines that Options are uncertificated, then a statement issued to the Participant, disclosing:

- (a) the number of Options entered in the register of Option holders in respect of the Participant; and
- (b) the information in Rule 7.3.

**Company** means COSOL Limited ABN 66 635 371 363.

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

**Corporations Regulations** means any and all regulations made under the Corporations Act.

**Date of Grant** means, with respect to an Option, the date on which the Plan Committee grants the Option to an Eligible Employee.

**Director** means a director of the Company.

**Eligible Employee** means an Employee whom the Plan Committee determines is to receive an Offer under the Plan.

**Employee** means:

- (a) an individual whom the Plan Committee determines to be in the full-time or part-time employment of a body corporate in the Group (including any employee on parental leave, long service leave or other special leave as approved by the Plan Committee);
- (b) a director of a body corporate in the Group who holds a salaried employment or office in a body corporate in the Group; or
- (c) a director of the Company.

**Employee Incentive Scheme** means an employee share or option scheme extended only to employees (including directors) of the Company and Associated Bodies Corporate, excluding the Plan.

**Exercise Conditions** means the performance, vesting or other conditions (if any) determined by the Plan Committee and specified in an Offer which are, subject to these Rules, required to be satisfied,

reached or met before an Option can, during the Exercise Period, be exercised.

**Exercise Period** means the period commencing on the First Exercise Date and ending on the Last Exercise Date.

**Exercise Price** means the amount payable by the holder of an Option on the exercise of the Option, being the amount fixed at the time of the issue of the Option and as determined under Rule 5.5.

**First Exercise Date** with respect to an Option means, unless otherwise specified in an Offer, the earlier of:

- (a) the date 12 months after the Date of Grant; or
- (b) the date on which a Special Circumstance arises in respect of the Participant holding the Option.

**Group** means the Company and its Subsidiaries.

**Last Exercise Date** with respect to an Option means, unless otherwise specified in an Offer:

- (a) the date 10 years after the Date of Grant; or
- (b) if a Special Circumstance arises in respect of a Participant during those 10 years, then the date 6 months (or longer period as may be determined by the Plan Committee) after the Special Circumstance arises.

**Legal Personal Representative** means the executor of the will or an administrator of the estate of a deceased person, the trustee of the estate of a person under a legal disability or a person who holds an enduring power of attorney granted by another person.

**Listing Rules** means the listing rules of ASX.

**Notice of Exercise** means a duly completed and executed notice of exercise of an Option by a Participant, in the form approved by the Plan Committee from time to time.

**Option** means an option issued to a Participant under the Plan to subscribe for a Share.

**Offer** means an invitation to an Eligible Employee made by the Company under Rule 5.1 to apply for an issue of Options.

**Participant** means a person who holds Options issued under the Plan and includes, if a Participant dies or becomes subject to a legal disability, the Legal Personal Representative of the Participant.

**Plan** means the COSOL Limited Employee Option Plan governed by these Rules.

**Plan Committee** means the COSOL Limited Employee Option Plan Committee or another committee of the Board to which power to administer the Plan has been delegated or, if there has been no delegation, the Board.

**Redundancy** means the termination or cessation of a Participant's employment or office with a body corporate in the Group as a result of redundancy, as determined by the Plan Committee.

**Rules** means the rules governing the operation of the Plan set out in this document, as amended from time to time.

**Security Interest** means a mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature.

**Security Trading Policy** means the policy in respect to dealing in the Company's securities as

approved by the Board of Directors.

**Shares** means fully paid ordinary shares in the capital of the Company.

**Special Circumstance** means with respect to a Participant:

- (a) Total and Permanent Disablement;
- (b) Redundancy;
- (c) the death of the Participant;
- (d) any other circumstances as the Plan Committee may at any time determine (whether in relation to the Participant, a class of Participants, particular circumstances or a class of circumstances) and whether before or after the Date of Grant.

**Subsidiary** means:

- (a) a body corporate of which the Company is a holding company in terms of Division 6 of Part 1.2 of the Corporations Act that the Plan Committee has approved for participation in the Plan; or
- (b) a body corporate in which the Company has voting power of not less than 20% (determined under section 610 of the Corporations Act) that the Plan Committee has approved for participation in the Plan.

**Tax** includes any tax, levy, impost, GST, deduction, charge, rate, contribution, duty or withholding which is assessed (or deemed to be assessed), levied, imposed or made by any government or any governmental, semi-governmental or judicial entity or authority together with any interest, penalty, fine, charge, fee or other amount assessed (or deemed to be assessed), levied, imposed or made on or in respect of any or all of the foregoing.

**Total and Permanent Disablement** means the termination or cessation of a Participant's employment with the Company or a Subsidiary as a result of total and permanent disablement, as determined by the Plan Committee.

## 2.2 Interpretation

In these Rules, unless the context otherwise requires:

- (a) headings are for convenience only and do not affect the interpretation of these Rules;
- (b) reference to any legislation or a provision of any legislation includes a modification or re-enactment of the legislation or a legislative provision substituted for, and all legislation and statutory instruments and regulations issued under, the legislation;
- (c) words denoting the singular include the plural and vice versa;
- (d) words denoting a gender include the other genders;
- (e) reference to any document or agreement includes reference to that document or agreement as amended, novated, supplemented, varied or replaced from time to time;
- (f) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act;
- (g) where any word or phrase is given a defined meaning in these Rules, any part of speech or other grammatical form of that word or phrase has a corresponding meaning;



- (h) reference to a rule or paragraph is a reference to a rule or paragraph of these Rules, or the corresponding Rule or Rules of the Plan as amended from time to time; and
- (i) where an act or thing must be done on a particular day or within a particular period, that act or thing must be done before, and that period ends at 5.00pm local time in Perth, Western Australia on the relevant day.

### **2.3 Primary Instruments**

These Rules are to be interpreted subject to the Applicable Laws.

## **3. Principal Conditions**

### **3.1 Plan Limit**

Subject to Applicable Law, the Company must not issue Options under the Plan if the number of Shares to be received on exercise of the Options the subject of any Offer, when aggregated with:

- (a) the number of Shares which would be issued were each outstanding offer or invitation or option to acquire unissued shares, being an offer made or option acquired pursuant to an Employee Incentive Scheme or the Plan be accepted or exercised as the case may be; and
- (b) the number of Shares issued during the previous five years pursuant to the Plan or any other Employee Incentive Scheme,

but disregarding any offer made, or option acquired or Share issued by way of or as a result of:

- (c) an offer to a person situated at the time of receipt of the offer outside Australia;
- (d) an offer that was an excluded offer or invitation within the meaning of the Corporations Act as it stood prior to the commencement of Schedule 1 to the *Corporate Law Economic Reform Program Act 1999* (Cth); or
- (e) an offer that does not need disclosure to investors because of section 708 of the Corporations Act,

would exceed 5% of the total number of issued Shares at the time of the Offer.

### **3.2 Options Issued Only to Employees**

No Options may be issued to a person under the Plan unless the person remains an Employee as at the Date of Grant, or the Plan Committee determines otherwise.

### **3.3 Compliance with Laws and Security Trading Policy**

No Option may be offered or issued to, or exercised by, an Eligible Employee or Participant if to do so would contravene an Applicable Law or the Company's Security Trading Policy.

## **4. Operation of the Plan**

The Plan operates according to these Rules which bind the Company, any Subsidiary, and each Participant.

## **5. Offers**

### **5.1 Plan Committee May Make Offer**

Subject to these Rules, the Plan Committee may from time to time make an Offer to an Eligible

Employee.

## **5.2 Form of Offer**

An Offer must be in writing and subject to Rule 5.3, the form of the Offer and any acceptance of the invitation constituted by the Offer must be as approved by the Plan Committee from time to time.

## **5.3 Information Contained in Offer**

An Offer must state:

- (a) the name and address of the Eligible Employee to whom the Offer is made;
- (b) the date of the Offer;
- (c) the period for acceptance of the invitation constituted by the Offer;
- (d) the maximum number of Options for which the Eligible Employee may make application;
- (e) the expected Date of Grant of the Options the subject of the Offer;
- (f) the expected First Exercise Date of the Options the subject of the Offer;
- (g) the expected Last Exercise Date of the Options the subject of the Offer;
- (h) the Exercise Price or the manner of determining the Exercise Price of the Options the subject of the Offer;
- (i) the Exercise Conditions (if any) attaching to the Options the subject of the Offer; and
- (j) any other specific terms and conditions applicable to the Offer including any required by Applicable Law.

## **5.4 Number of Options**

Subject to Rule 3.1, the number of Options the subject of an Offer to an Eligible Employee is determined by the Plan Committee.

## **5.5 Exercise Price**

Subject to any adjustment under Rule 11, the Exercise Price in respect of an Option is as determined by the Plan Committee.

## **5.6 Exercise Price in Australian Dollars**

The Exercise Price in respect of an Option must be denominated and payable in Australian dollars.

## **5.7 Offer Personal**

An Offer under the Plan is personal to the Eligible Employee to whom it is made and, accordingly, the invitation constituted by an Offer may only be accepted by, and Options may only be issued to, the Eligible Employee to whom the Offer is made.

# **6. Application for Options**

## **6.1 Acceptance of Offer**

An Eligible Employee may accept the invitation constituted by an Offer by giving to the Company an Application Form within the period specified in the Offer.

## **6.2 Application for All of Some of Options**

An Eligible Employee may in his or her discretion accept the invitation constituted by an Offer, in whole or in part, in multiples of 100 Options or another multiple of Options as the Plan Committee may allow for the Eligible Employee.

## **6.3 Lapse of Offer**

An Offer not accepted in accordance with Rule 6.1 lapses unless the Plan Committee determines otherwise.

# **7. Issue of Options**

## **7.1 Acceptance of Application and Issue**

The Company may, within 60 days after receiving a duly completed Application Form from an Eligible Employee but subject to the conditions of the Offer:

- (a) accept the Application Form;
- (b) issue to the Eligible Employee all of the Options the subject of the Application Form; and
- (c) notify the Eligible Employee of the Date of Grant of those Options.

## **7.2 Eligible Employee Becomes a Participant**

On the issue of an Option following receipt by the Company of an Application Form, an Eligible Employee becomes a Participant and is bound by these Rules.

## **7.3 Certificates**

The Company must give a Participant one or more Certificates:

- (a) stating the number of Options issued to the Participant;
- (b) stating the Exercise Price of those Options;
- (c) stating the Date of Grant of those Options; and
- (d) attaching any Exercise Conditions of those Options.

## **7.4 Consideration for Options**

Options will be issued for consideration comprising the services that are expected to be provided by an Eligible Employee to or for the benefit of the Group but no further monetary or other consideration will be payable in respect of the issue of an Option.

## **7.5 Entitlement to Underlying Shares**

Subject to these Rules, each Option confers on its holder the entitlement to subscribe for and be issued one fully paid Share at the Exercise Price.

## **7.6 Interest in Shares**

A Participant has no interest in a Share the subject of an Option held by the Participant unless and until the Share is issued to that Participant under these Rules.

## **8. Exercise of Options**

### **8.1 Exercise During Exercise Period**

Subject to Rules 3.3, 8.2 and 8.3, an Option may be exercised at any time during the Exercise Period for that Option.

### **8.2 Exercise Before Exercise Period**

Subject to Rule 8.3, an Option may be exercised before the Exercise Period if permitted under Rules 10.4 or 11.5.

### **8.3 Exercise Conditions**

Subject to Rule 8.4, if the Offer in respect of an Option specifies any Exercise Conditions, the Option may not be exercised unless and until those Exercise Conditions have been satisfied, reached or met.

### **8.4 Waiver of Exercise Conditions**

The Plan Committee may, at its discretion, by notice to the Participant reduce or waive the Exercise Conditions attaching to Options in whole or in part at any time and in any particular case including due to Special Circumstance or another Accelerated Vesting Event.

### **8.5 Exercise of Options**

Subject to these Rules, Options which have not lapsed may be exercised by the Participant giving to the Company:

- (a) a Notice of Exercise signed by the Participant;
- (b) the Certificate for those Options; and
- (c) a cheque payable to the Company (or another form of payment acceptable to the Board) in the amount of the product of the number of Options then being exercised by the Participant and the Exercise Price.

### **8.6 Issue of Shares**

Subject to these Rules and the Listing Rules, on the exercise of an Option the Company must:

- (a) procure the transfer of a Share; or
- (b) issue and allot a Share.

### **8.7 Clearance of Exercise Price**

The Company is not obliged to issue Shares on exercise of Options until any cheque received in payment of the Exercise Price has been honoured on presentation.

### **8.8 Exercise All or Some Options**

- (a) A Participant may only exercise Options in multiples of 100 or another multiple as the Plan Committee determines unless the Participant exercises all Options covered by a Certificate able to be exercised by him or her at that time.
- (b) The exercise by a Participant of only some of the Options held by the Participant does not affect the Participant's right to exercise at a later date other Options held by the Participant (whether those other Options have the same First Exercise Date or otherwise).

### **8.9 Replacement Certificate**

If a Participant submits a Notice of Exercise in respect of only part of the Options covered by a Certificate, the Company must issue a Certificate stating the remaining number of Options held by the Participant.

### **8.10 Shares Rank Equally**

Unless otherwise provided in a Notice of Exercise, Shares issued on the exercise of Options rank equally with all existing Shares on and from the date of issue in respect of all rights issues, bonus share issues and dividends which have a record date for determining entitlements on or after the date of issue of those Shares.

## **9. Lapse of Options**

### **9.1 Lapse of Options**

An Option lapses on the earlier of:

- (a) the Last Exercise Date;
- (b) a determination of the Plan Committee that the Option should lapse because the Participant, in the Plan Committee's opinion:
  - (i) has been dismissed or removed from office for a reason which entitles a body corporate in the Group to dismiss the Participant without notice;
  - (ii) 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); or
  - (iii) has done an act which brings the Group or any body corporate in the Group into disrepute; and
- (c) unless otherwise determined by the Plan Committee, the date which is 2 months after the date of termination of employment of the Participant with the Group (other than due to the occurrence of a Special Circumstance).

### **9.2 Rights Cease**

If a Participant fails for any reason to exercise all the Options registered in the Participant's name before the occurrence of a circumstance set out in Rule 9.1, those Options that the Participant:

- (a) would have been entitled to exercise and that have not been exercised; and
- (b) may have had a right or entitlement to have vested in the Participant, lapse and all rights of a Participant under the Plan in respect of those Options cease.

## **10. Dealings with Options**

### **10.1 Options Personal**

Except where Options have been transferred under Rule 10.3, Options held by a Participant are personal to the Participant and may not be exercised by another person.

### **10.2 No Unauthorised Disposal**

Except as permitted under Rule 10.3, a Participant must not dispose of or grant a Security Interest

over or otherwise deal with an Option or an interest in an Option, and the Security Interest or disposal or dealing is not recognised in any manner by the Company.

### **10.3 Permitted Transfer of Options and Accelerated Vesting Events**

Options may be transferred, by an instrument of transfer, in the following circumstances only:

- (a) a transfer constituting the necessary transfer documents following an acceptance of an offer made under an off-market bid relating to Options;
- (b) a transfer to a bidder on the sale of the Options under Division 3 of Part 6A.1 of the Corporations Act 2001 (Cth);
- (c) a transfer to a 100% holder on the sale of the Options under Division 2 of Part 6A.2 of the Corporations Act 2001 (Cth);
- (d) a transfer under Part 6A.3 of the Corporations Act 2001 (Cth) to a person entitled to acquire the Options under section 661A or 664A of the Corporations Act 2001 (Cth); or
- (e) a transfer approved by the Board in those circumstances as may be determined by the Board.

### **10.4 First Exercise Date Brought Forward**

If an Accelerated Vesting Event occurs while a Participant is employed with the Group, the Board may, at its discretion:

- (a) bring forward the First Exercise Date of all Options held by the Participant to a date determined by the Plan Committee; and
- (b) waive or vary any Exercise Conditions in regard to an Option held by the Participant in accordance with Rule 8.4.

### **10.5 Notice to Participants of Change**

If the Plan Committee determines to alter the First Exercise Date and Exercise Conditions under Rule 10.4, the Company:

- (a) must within 14 days of the alteration give notice to each Participant affected by the Accelerated Vesting Event in respect of any Options held by the Participant; and
- (b) may have to issue a replacement Certificate for the Options.

## **11. Participation Rights, Bonus issues, Rights Issues, Reorganisations of Capital and Winding Up**

### **11.1 New Issues**

- (a) Participants are not entitled to participate in any new issue to existing holders of Shares in the Company unless:
  - (i) they have become entitled to exercise their Options under the Plan; and
  - (ii) they do so before the record date for the determination of entitlements to the new issue of securities and participate as a result of being holders of Shares.
- (b) The Company must give Participants, in accordance with the Listing Rules, notice of any new issue of securities before the record date for determining entitlements to the new issue



### **11.2 Bonus Issues**

If the Company makes (whether before or during the Exercise Period) a bonus issue of Shares or other securities 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 before the record date for determining entitlements to the bonus issue, then the number of underlying Shares over which the Option is exercisable is increased by the number of Shares which the Participant would have received if the Participant had exercised the Option prior to such record date.

### **11.3 Pro-rata Issues**

If the Company makes (whether before or during the Exercise Period) 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 before the record date for determining entitlements to the issue, the Exercise Price of the Option is reduced in accordance with the Listing Rules.

### **11.4 Reorganisation of capital**

If there is a reorganisation of capital of the Company (whether before or during the Exercise Period) then the rights of a Participant (including the number of Options to which each Participant is entitled and the Exercise Price) is changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

### **11.5 Winding up**

If (whether before or during the Exercise Period) a resolution for a members' voluntary winding up of the Company is proposed (other than for the purpose of a reconstruction or amalgamation) the Plan Committee may, in its absolute discretion, give written notice to Participants of the proposed resolution. Subject to the Exercise Conditions, the Participants may, during the period referred to in the notice, exercise their Options if the Last Exercise Date for the Options has not expired.

### **11.6 Fractions of Shares**

For the purposes of this Rule 11, if Options 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.

### **11.7 Calculations and adjustments**

Any calculations or adjustments which are required to be made under this Rule 11 will be made by the Plan Committee and, in the absence of manifest error, are final and conclusive and binding on the Company and the Participant.

### **11.8 Notice of change**

The Company must within a reasonable period give to each Participant notice of any change under Rule 11 to the Exercise Price of any Options held by the Participant or to the number of Shares which the Participant is entitled to subscribe for on exercise of an Option.

## **12. Quotation of Shares**

### **12.1 No Quotation of Options**

The Company will not seek official quotation of any Options.

### **12.2 Quotation of Shares**

The Company must apply to ASX for quotation of Shares issued on exercise of Options if other Shares of the Company are officially quoted by ASX at that time.

## **13. Administration of the Plan**

### **13.1 Administration**

The Plan is administered by the Plan Committee.

### **13.2 Powers of the Plan Committee**

The Plan Committee has power to:

- (a) determine appropriate procedures and make regulations for the administration of the Plan which are consistent with these Rules;
- (b) resolve conclusively all questions of fact or interpretation arising in connection with the Plan;
- (c) terminate or suspend the operation of the Plan at any time, provided that the termination or suspension does not adversely affect or prejudice the rights of Participants holding Options at that time;
- (d) delegate those functions and powers it considers appropriate, for the efficient administration of the Plan, to any person or persons whom the Plan Committee reasonably believes to be capable of performing those functions and exercising those powers;
- (e) take and rely upon independent professional or expert advice in or in relation to the exercise of any of their powers or discretions under these Rules;
- (f) administer the Plan in accordance with these Rules as and to the extent provided in these Rules; and
- (g) make regulations for the operation of the Plan consistent with these Rules.

### **13.3 Exercise of Powers or Discretion**

Any power or discretion which is conferred on the Plan Committee or Board by these Rules may be exercised by the Plan Committee or Board in the interests or for the benefit of the Company, and the Plan Committee or Board is not, in exercising that power or discretion, under any fiduciary or other obligation to another person.

### **13.4 Determinations**

Where these Rules provide for a determination, decision, approval or opinion of the Plan Committee or Board, that determination, decision, approval or opinion may be made or given by the Plan Committee or Board (as applicable) in its absolute discretion.

### **13.5 Expenses and costs**

Subject to these Rules, the Company and its Subsidiaries must pay all expenses, costs and charges



incurred in the administration of the Plan in the amounts and proportions as they shall agree.

#### **13.6 Tax**

The Company is not responsible for any Tax which may become payable by a Participant in connection with the issue of Shares pursuant to an exercise of Options or another dealing by a Participant with the Options or Shares.

### **14. Amendment to Rules**

#### **14.1 Board May Amend Rules**

Subject to the Listing Rules, the Board may at any time amend any of these Rules, or waive or modify the application of any of these Rules in relation to a Participant.

#### **14.2 Consent of Participants**

If an amendment to be made under Rule 14.1 would adversely affect the rights of Participants in respect of any Options then held by them, the Board must obtain the consent of Participants who between them hold not less than 75% of the total number of those Options held by all those Participants before making the amendment.

#### **14.3 Eligible Employees outside Australia**

The Board may make any additions, variations or modifications to the Rules, in relation to the implementation of the Plan and the specific application of the Rules to Eligible Employees residing outside Australia.

### **15. Rights of Participants**

#### **15.1 No conferred rights**

These Rules:

- (a) do not confer on an Employee the right to receive an Offer;
- (b) do not confer on a Participant the right to continue as an Employee;
- (c) do not affect any rights which the Company or a Subsidiary may have to terminate the employment of a Participant; and
- (d) may not be used to increase damages in an action brought against the Company or a Subsidiary in respect of that termination.

#### **15.2 Voting at general meetings**

Participants do not, as Participants, have any right to attend or vote at general meetings of holders of Shares.

### **16. Notices**

Notices may be given by the Company to Participants in any manner that the Plan Committee may from time to time determine.

## **17. Governing Law**

These Rules and the rights and obligations of Participants under the Plan are governed by the law of Western Australia, Australia, and each Participant irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia, Australia.

## **18. Advice**

Eligible Employees should obtain their own independent advice at their own expense on the financial, taxation and other consequences to them of or relating to participation in the Plan.

A summary of the material terms of the SPA are set out below.

**1. Parties**

- (a) the Company;
- (b) AddOns; and
- (c) The Vendor, who is the sole shareholder and President of AddOns and is not a Listing Rule 10.1 party of the Company.

**2. Consideration**

- (a) At completion, the Company will pay to the Vendor US\$1.5 million in cash and will issue the 4,271,695 Completion shares to the Vendor (or his nominee(s)) which will be subject to voluntary escrow until 31 December 2021.
- (b) Depending on the future performance of the AddOns business, the Vendor will also be entitled to up to 2 further instalments of deferred consideration (**Earn Out Consideration**).
- (c) The Earn Out Consideration (if any) will be determined having regard to each of the 12 month periods ended 31 December 2021 and 31 December 2022 (each a **Relevant Period**) and will only be payable if:
  - (i) the Vendor has remained continually employed in the business throughout that Relevant Period (subject to certain permitted exceptions); and
  - (ii) AddOns' audited EBITDA meets or exceeds certain thresholds in the year ended 31 December 2020 and in each Relevant Period, as follows:
    - (A) 2020: US\$810,000;
    - (B) 2021: US\$1,100,000; and
    - (C) 2022: US\$1,200,000.
- (d) An instalment of Earn Out Consideration will be payable based on the extent to which AddOns' EBITDA in a Relevant Period exceeds the base EBITDA figure established for 2020 (being the greater of US\$900,000 or the actual EBITDA achieved in 2020), with overall earn out payments not to exceed US\$1.75 million in the aggregate. At least 50% of any Earn Out Consideration will be satisfied in Deferred Consideration Shares provided that COSOL may elect to increase that percentage (capped at 5 million Deferred Consideration Shares).
- (e) The cash component of the Completion consideration (and any Earn Out Consideration) will be satisfied out of the Company's existing cash reserves, and the Shares to be issued to the Vendor will be issued under the Company's existing Share placement capacity under Listing Rule 7.1.

**3. Conditions Precedent**

Completion of the acquisition is subject to a normal range of conditions precedent, each of which is able to be waived by the Company should it choose to do so. Those conditions comprise:

- (a) conditions ordinarily found in similar acquisition transactions, including:
  - (i) there being no change to AddOns' capital or debt capital structure, or any material adverse condition in relation to AddOns, in the period prior to completion;
  - (ii) all security interests over AddOns' assets being discharged prior to completion; and
  - (iii) consents being obtained from relevant AddOns contractual counterparties regarding the change in control of AddOns which will occur by virtue of the acquisition; and
- (b) certain conditions which are specific to AddOns' particular business, which relate to the Company having comfort as to continuity of service of key employees (including the Vendor), arrangements with a former shareholder, the tax status of AddOns and there being no debt (other than certain permitted exceptions) attributable to the business as at completion.

4. **Other**

- (a) Completion is currently expected to occur in the week beginning 12 October 2020. Subject to completion occurring, the acquisition will be deemed to have taken effect on and from 1 September 2020.
- (b) There will be no changes to the Company's Board of Directors and senior management, nor any changes to the senior management of COSOL Australia Pty Ltd, as a result of the acquisition.
- (c) Whilst suitable Company representatives will be appointed at completion as officeholders of AddOns, Mr Glenn "Max" Rogers will continue to have day-to-day responsibility for the management and oversight of the AddOns business following the acquisition.
- (d) The Agreement includes customary terms and conditions, including regarding representations and warranties, indemnities and completion conditions.

5. **Approvals**

- (a) ASX has confirmed that Listing Rules 11.1.2 or 11.1.3 do not apply to the acquisition of AddOns.
- (b) The Company is not seeking or obtaining Shareholder approval for the acquisition of AddOns.

14 October 2020

The Directors  
COSOL Limited  
Suite 183, Level 6  
580 Hay Street  
PERTH WA 6000

Dear Sirs

**NOMINATION OF AUDITOR**

In accordance with the provisions of section 328B(1) of the *Corporations Act 2001* (Cth), I, Gerald Strautins, being a member of COSOL Limited, hereby nominate Elderton Audit Pty Ltd for appointment as auditor of COSOL Limited.

I acknowledge that a copy of this nomination will be included in COSOL Limited's notice of meeting for its 2020 annual general meeting.

Yours sincerely



Gerald Strautins  
Member of COSOL Limited



**COSOL LIMITED**  
ACN 635 371 363

## LODGE YOUR VOTE



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



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



**BY FAX**  
+61 2 9287 0309



**BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138



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

## LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **10:00am (AWST) on Sunday, 15 November 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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



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

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



### BY MOBILE DEVICE

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

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

### QR Code



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

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

### APPOINTMENT OF PROXY

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

### DEFAULT TO CHAIRMAN OF THE MEETING

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

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

### APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

- 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
- return both forms together.

### SIGNING INSTRUCTIONS

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

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

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

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

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

### CORPORATE REPRESENTATIVES

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

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

NAME SURNAME  
ADDRESS LINE 1  
ADDRESS LINE 2  
ADDRESS LINE 3  
ADDRESS LINE 4  
ADDRESS LINE 5  
ADDRESS LINE 6



X99999999999

## PROXY FORM

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

### APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

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

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (AWST) on Tuesday, 17 November 2020 at Yerrigan Room of the Liberty Conference Centre on the Ground Floor of 197 St George's Terrace, Perth WA.** (the **Meeting**) and at any postponement or adjournment of the Meeting.

**Important for Resolutions 1, 4, 5, 6, 9 & 10:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 4, 5, 6, 9 & 10, 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"/>	9 Ratification of Prior Issue of Options to Buckley Advisory Group Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Grant Pestell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Ratification of Prior Issue of Options to Buckley Advisory Group Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Ratification of Prior Issue of Completion Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of Employee Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Ratification of Prior Issue under Employee Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Ratification of Prior Issue under Employee Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Ratification of Prior Issue under Employee Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Ratification of Prior Issue under Employee Option Plan	<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).

COS PRX2001D