

2022 ANNUAL GENERAL MEETING



Dear Shareholder

Notice is hereby given that the 2022 Annual General Meeting (**Meeting**) of **South Harz Potash Ltd** (ASX:SHP) (South Harz) will be held as a physical meeting at:

**The Board Room,
The Country Women's Association of WA,
1176 Hay Street, West Perth, WA 6005
on Tuesday 1 November 2022 at 3:00pm (AWST)**

In accordance with section 253RA(2) of the Corporations Act 2001 (Cth), the Company will not be sending hard copies of the Notice to shareholders unless a shareholder has requested a hard copy. A copy of the Notice of Meeting (NOM) is available on the Company's website at

www.southharzpotash.com

As you have not elected to receive notices by email, a copy of your personalised proxy form is enclosed for your convenience. Please complete and return the attached proxy form to the Company's share registry, Automic Pty Limited, using any of the following methods:

Easiest method

By mobile Scan the QR code on your proxy form with the camera on your mobile device and follow the prompts.

Other methods

Online <https://investor.automic.com.au/#/loginsah>

By mail Share Registry – Automic Pty Limited,
GPO Box 5193, Sydney NSW 2001, Australia

Your proxy voting instruction must be received by 3:00pm (AWST) on 30 October 2022, being not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting.

The NOM is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser. If you have any difficulties obtaining a copy of the NOM please contact the Company Secretary on +61 408 447 493.

Yours sincerely

A handwritten signature in black ink, appearing to read "Ian Farmer".

Ian Farmer
Executive Chairman

CONTACT DETAILS

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P: +61 (0) 408 447 493

ABN: 64 153 414 852

ASX Code: SHP

ASX Code (Options): SHPO

Frankfurt Code: A2DWXX

532.7M Ordinary Shares

103.0M Unlisted Options

46.2M Listed Options

0.8M Performance Rights

Your right to elect to receive documents electronically or physically

The *Corporations Amendment (Meetings and Documents) Act 2022* (**Amendment Act**) includes a new requirement for public companies and listed companies to give shareholders notice of their right to elect to be sent documents electronically or physically by the company in section 110K of the Corporations Act.

Recent legislative changes to the Corporations Act 2001 (Cth) mean there are new options for how South Harz shareholders receive communications. South Harz will no longer send physical meeting documents unless a shareholder requests a copy to be mailed.

Providing your email address to receive shareholder communications electronically

South Harz encourages all shareholders to provide an email address so we can provide investor communications electronically when they become available online, which includes items such as meeting documents and annual reports.

By providing your email address, you will:

- Support the company by reducing the cost of mailing/postage
- Receive your investor communications faster and in a more secure way
- Help the environment through the need for less paper

How do I update my communications preferences?

Shareholders can still elect to receive some or all of their communications in physical or electronic form or elect not to receive certain documents such as annual reports. To review your communications preferences, or sign up to receive your shareholder communications via email, please update your communication preferences at <https://investor.automic.com.au/>

If you are a shareholder and would like a physical copy of a communication, need further information about the options available to you or have questions about your holding, visit <https://investor.automic.com.au/> or contact our share registry:

Telephone (within Australia): 1300 288 664

Telephone (outside Australia): +61 2 9698 5414

Email: hello@automicgroup.com.au

Website: <https://investor.automic.com.au/>

SOUTH HARZ POTASH LIMITED
ABN 64 153 414 852

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 3:00 pm WST

DATE: Tuesday, 1 November 2022

PLACE: Board Room,
The Country Women's Association of WA,
1176 Hay Street,
West Perth, WA 6005

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 3:00 pm (WST) on 30 October 2022.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 408 447 493.

BUSINESS OF THE MEETING

AGENDA

FINANCIAL STATEMENTS AND ACCOUNTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2022, together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the Company to adopt the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2022."

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

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR RORY LUFF

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

"That, for the purpose of clause 14.2 of the Constitution, Listing Rule 14.5 and for all other purposes, Mr Rory Luff, a Director, retires by rotation, and being eligible, is re-elected as a Director."

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – DR REINOUT KOOPMANS

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

"That, for the purpose of clause 14.2 of the Constitution, Listing Rule 14.5 and for all other purposes, Dr Reinout Koopmans, being a Director, retires by rotation and, being eligible, is re-elected as a Director."

4. RESOLUTION 4 – APPROVAL OF 7.1A MANDATE

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

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

5. RESOLUTION 5 – ISSUE OF INCENTIVE OPTIONS TO IAN FARMER

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

"That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 1,679,000 Incentive Options to Ian Farmer (or their nominee) on the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

6. RESOLUTION 6 – ISSUE OF INCENTIVE OPTIONS TO REINOUT KOOPMANS

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

"That, for the purposes Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 736,000 Incentive Options to Reinout Koopmans (or their nominee) on the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

7. RESOLUTION 7 – ISSUE OF INCENTIVE OPTIONS TO RORY LUFF

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

"That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 736,000 Incentive Options to Rory Luff (or their nominee) on the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

8. RESOLUTION 8 – ISSUE OF INCENTIVE OPTIONS TO HANSJORG PLAGGEMARS

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

"That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 736,000 Incentive Options to Hansjorg Plaggemars (or their nominee) on the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

9. RESOLUTION 9 – ISSUE OF INCENTIVE OPTIONS TO LEONARD JUBBER

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

"That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 736,000 Incentive Options to Leonard Jubber (or their nominee) on the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

Dated: 30 September 2022

By order of the Board

**Graeme Smith
Company Secretary
South Harz Potash Limited**

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

Resolution 1 – Adoption of Remuneration Report	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:</p> <ul style="list-style-type: none"> (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. <p>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:</p> <ul style="list-style-type: none"> (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or (b) the voter is the Chair and the appointment of the Chair as proxy: <ul style="list-style-type: none"> (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.
Resolution 4 – Approval of 7.1A Mandate	<p>The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).</p> <p>However, this does not apply to a vote cast in favour of the Resolution by:</p> <ul style="list-style-type: none"> (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or (b) the Chair 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: <ul style="list-style-type: none"> (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Resolution 5 - 9 – Issue of
Incentive Options**

Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question or an associate of that person or those persons.

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

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- 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 in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

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

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

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

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

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 408 447 493.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting of the Company to be held at Board Room, The Country Women's Association of WA, 1176 Hay Street, West Perth, WA 6005 at 3:00 pm WST on Tuesday, 1 November 2022.

The purpose of this Explanatory Memorandum 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.

FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.southharzpotash.com.

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 Directors or 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.

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

1.3 Previous voting results

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

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR RORY LUFF

2.1 General

Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

The Directors to retire at an annual general meeting are those who have been longest in office since their last appointment.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Rory Luff, who has served as a Director since 3 June 2016 and was re-elected on 27 November 2020, retires by rotation and seeks re-election.

2.2 Qualifications and other material directorships

Mr Rory Luff is the founder of BW Equities, a specialist Melbourne equities advisory firm and has over 15 years' experience in the financial services industry. Mr Rory Luff has spent most of his career in the financial markets advising resources companies on capital raisings and financial markets strategy.

Mr Rory Luff has not held any other directorships in listed companies during the last 3 years.

2.3 Independence

If re-elected the Board considers Mr Rory Luff will not be an independent Director as a result of his substantial shareholding.

2.4 Board Recommendation

The Board has reviewed Mr Rory Luff's performance since his appointment to the Board and considers that Rory Luff's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Rory Luff and recommends that Shareholders vote in favour of this Resolution.

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – DR REINOUT KOOPMANS

3.1 General

Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

The Directors to retire at an annual general meeting are those who have been longest in office since their last appointment.

Dr Reinout Koopmans, who has served as a Director since 8 January 2019 and was re-elected on 27 November 2020, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Dr Reinout Koopmans spent 15 years in investment banking, based in London. He was responsible globally for public equity raising for natural resource companies at Deutsche Bank and he led the European equity capital markets team at Jefferies International. In the 1990's, Dr Reinout Koopmans was a management consultant with McKinsey & Co in Germany and South-East Asia. He has significant business experience in Germany. Dr Reinout Koopmans has a PhD and Masters degree from the London School of Economics, and a degree from Erasmus University, Rotterdam.

Dr Reinout Koopmans has not held any other directorships in listed companies during the last 3 years.

3.3 Independence

If re-elected the Board considers Dr Reinout Koopmans will be an independent Director.

3.4 Board Recommendation

The Board has reviewed Dr Reinout Koopmans's performance since his appointment to the Board and considers that Dr Reinout Koopmans skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Dr Reinout Koopmans and recommends that Shareholders vote in favour of this Resolution.

4. RESOLUTION 4 – APPROVAL OF 7.1A MANDATE

4.1 General

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

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$32 million (based on the number of Shares on issue and the closing price of Shares on the ASX on 23 September 2022).

This Resolution seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

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

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

4.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to this Resolution:

(a) Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) Minimum Price

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 5.2(b)(i), the date on which the Equity Securities are issued.

(c) **Use of funds raised under the 7.1A Mandate**

The Company will only issue the Equity Securities for cash consideration. The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for the development of the Company's business and the acquisition of new assets or investments.

(d) **Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

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

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue as at 23 September 2022.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.03 50% decrease in Issue Price	\$0.06 Issue Price	\$0.12 100% increase in Issue Price
Current Variable A 532,679,096	10% voting dilution	53,267,909	53,267,909	53,267,909
	Funds raised	\$1,598,037	\$3,196,075	\$6,392,149
50% increase in current Variable A 799,018,644	10% voting dilution	79,901,864	79,901,864	79,901,864
	Funds raised	\$2,397,056	\$4,794,112	\$9,588,224
100% increase in current Variable A 1,065,358,192	10% voting dilution	106,535,819	106,535,819	106,535,819
	Funds raised	\$3,196,075	\$6,392,149	\$12,784,298

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

The table above uses the following assumptions:

1. There are currently 532,679,096 Shares on issue as at the date of this Notice of Meeting.
2. The issue price set out above is the closing market price of the Shares on the ASX on 23 September 2022 (being \$0.06).
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.

5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 16 December 2021 (**Previous Approval**).

During the 12 month period preceding the date of the Meeting, being on and from 16 December 2021, the Company has not issued any Equity Securities pursuant to the Previous Approval.

4.3 Voting Exclusion Statement

A voting exclusion statement is included in Resolution 4 of this Notice.

5. RESOLUTIONS 5 TO 9 – ISSUE OF RELATED PARTY INCENTIVE OPTIONS

5.1 Background

The Company received Shareholder approval for the adoption of the Option Plan on 4 May 2021 and has agreed to issue Incentive Options to Messrs Farmer, Koopmans, Luff, Plaggemars and Jubber (or their nominees) (**Related Parties**) pursuant to the Option Plan and on the terms and conditions set out below.

This Resolution seeks Shareholder approval for the issue of Options to both executive and non-executive directors, comprising of 4,623,000 Options to Messrs Farmer, Koopmans, Luff, Plaggemars and Jubber (together, the **Incentive Options**).

5.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Incentive Options to the Related Parties constitutes giving a financial benefit the Related Parties are a related party of the Company by virtue of being a Director. The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Incentive Options, because the issue of Incentive Options constitutes reasonable remuneration payable to the Related Parties.

5.3 Listing Rule 10.14

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- 10.14.1 a director of the entity;
- 10.14.2 an associate of a director of the entity; or
- 10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Incentive Options to the Related Parties falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 5 to 9 seek the required Shareholder approval for the issue of the Incentive Options under Listing Rule 10.14.

5.4 Technical information required by Listing Rule 14.1A

If Resolutions 5 to 9 are passed, the Company will be able to proceed with the issue of the Incentive Options to the Related Parties under the Option Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Incentive Options (because approval is being obtained under Listing Rule 10.14), the issue of the Incentive Options will not use up any of the Company's 15% annual placement capacity.

If Resolutions 5 to 9 are not passed, the Company will not be able to proceed with the issue of the Incentive Options to the Related Parties under the Option Plan and may need to seek to remunerate the Related Parties by another means.

5.5 Technical Information required by Listing Rule 10.5

Pursuant to and in accordance with the requirements of Listing Rule 10.15 the following information is provided in relation to Resolutions 5 to 9:

- (a) the Incentive Options will be issued to the following persons:
- (i) Mr Ian Farmer (or their nominee) pursuant to Resolution 5;
 - (ii) Dr Reinout Koopmans (or their nominee) pursuant to Resolution 6;
 - (iii) Mr Rory Luff (or their nominee) pursuant to Resolution 7;
 - (iv) Mr Hansjorg Plaggemars (or their nominee) pursuant to Resolution 8; and
 - (v) Mr Leonard Jubber (or their nominee) pursuant to Resolution 9,
- each of whom falls within the category set out in Listing Rule 10.14.1 by virtue of being a Director;
- (b) the maximum number of Incentive Options to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is set out in the table below:

Resolution	Related Party	Incentive Options
5	Mr Ian Farmer (or his nominee)	1,679,000
6	Dr Reinout Koopmans (or his nominee)	736,000
7	Mr Rory Luff (or his nominee)	736,000
8	Mr Hansjorg Plaggemars (or his nominee)	736,000
9	Mr Leonard Jubber (or his nominee)	736,000

- (c) the following Options have been previously issued under the Option Plan to;
- (i) 1,773,000 Options have previously been issued to Ian Farmer for nil cash consideration under the Option Plan;
 - (ii) 1,061,000 Options have previously been issued to Reinout

Koopmans for nil cash consideration under the Option Plan;

- (iii) 1,061,000 Options have previously been issued to Rory Luff for nil cash consideration under the Option Plan;
 - (iv) 1,061,000 Options have previously been issued to Hansjoerg Plaggemars for nil cash consideration under the Option Plan; and
 - (v) 1,061,000 Options have previously been issued to Len Jubber for nil cash consideration under the Option Plan.
- (d) a summary of the material terms and conditions of the Incentive Options is set out in Schedule 2;
- (e) the Company has agreed to issue the Incentive Options to the Related Parties subject to Shareholder approval for the following reasons:
- (i) the deferred taxation benefit which is available to the Related Parties in respect of an issue of Incentive Options is also beneficial to the Company as it means the Related Parties are not required to immediately sell the Incentive Options to fund a tax liability (as would be the case in an issue of Shares where the tax liability arises upon issue of the Shares) and will instead, continue to hold an interest in the Company; and
 - (ii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Options on the terms proposed;
- (f) the number of Incentive Options to be issued to each of the Related Parties has been determined based upon a consideration of:
- (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the remuneration of the Related Parties; and
 - (iii) incentives to attract and ensure continuity of service/retain the service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Options upon the terms proposed;

- (g) the total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Ian Farmer	\$332,066 ¹	\$272,732
Reinout Koopmans	\$92,846 ²	\$65,610
Rory Luff	\$92,846 ³	\$72,854
Hansjorg Plaggemars	\$92,846 ⁴	\$72,854
Leonard Jubber	\$119,387 ⁵	\$126,775

Notes:

1. Comprising Executive Chairmans Fees of \$153,000 (est), Directors' fees of \$75,000, existing share-based payments of \$45,704 and proposed share based payments (being the value of the Non-Executive Incentive Options as at the date of this Notice) of \$58,362.
- 2- 4. Comprising Directors' fees of \$40,000, existing share-based payments of \$27,263 and proposed share based payments (being the value of the Non-Executive Incentive Options as at the date of this Notice) of \$25,583.
5. Comprising Directors' fees of \$40,000, existing share-based payments of \$53,804 and proposed share based payments (being the value of the Non-Executive Incentive Options as at the date of this Notice) of \$25,583.

(h) The value of the Incentive Options is as follows:

Related Party	Options	Value (\$)	Value of Options
Ian Farmer	1,679,000	\$0.03476	\$58,362
Reinout Koopmans	736,000	\$0.03476	\$25,583
Rory Luff	736,000	\$0.03476	\$25,583
Hansjorg Plaggemars	736,000	\$0.03476	\$25,583
Leonard Jubber	736,000	\$0.03476	\$25,583
Total	4,623,000		\$160,694

The pricing methodology is set out in Schedule 1;

- (i) the Incentive Options will be issued to the Related Parties no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Incentive Options will be issued on one date;
- (j) the issue price of the Incentive Options will be nil, as such no funds will be raised from the issue of the Incentive Options (other than in respect of funds received on exercise of the Incentive Options);
- (k) the purpose of the issue of the Incentive Options is to provide a performance linked incentive component in the remuneration package for the Related Parties to align the interests of the Related Parties with those of Shareholders, to motivate and reward the performance of the Related Parties in their roles as Directors and to provide a cost effective way from the Company to remunerate the Related Parties, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties;
- (l) a summary of the material terms and conditions of the Option Plan is set out in Schedule 3;
- (m) no loans are being made to the Related Parties in connection with the acquisition of the Incentive Options;
- (n) details of any Incentive Options issued under the Option Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (o) any additional persons covered by Listing Rule 10.14 who become

entitled to participate in an issue of Incentive Options under the Option Plan who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14;

- (p) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares ¹	Options	Performance Rights
Ian Farmer	611,111	8,995,222	Nil
Reinout Koopmans	3,833,098	1,061,000	259,875
Rory Luff	27,209,021	8,667,746	259,875
Hansjorg Plaggemars	1,240,783	1,283,222	259,875
Leonard Jubber	516,667	2,061,000	Nil

Notes:

1. Fully paid ordinary shares in the capital of the Company (ASX: SHP).

- (q) if the Incentive Options issued to the Related Parties are exercised, a total of approximately 4,623,000 Shares would be issued. This will increase the number of Shares on issue from 532,679,096 (being the total number of Shares on issue as at the date of this Notice) to 537,302,096 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.86%.

The market price for Shares during the term of the Incentive Options would normally determine whether the Incentive Options are exercised. If, at any time any of the Incentive Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Incentive Options, there may be a perceived cost to the Company.

As at the date of this Notice the Shares are trading on ASX at a price lower than the exercise price of the Incentive Options.

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

	Price	Date
Highest	\$0.25	05 April 2022
Lowest	\$0.062	02 September 2022
Last	\$0.06	23 September 2022

- (s) each Director has a material personal interest in the outcome of Resolutions 5 to 9 on the basis that all of the Directors (or their nominees) are to be issued Incentive Options should Resolutions 5 to 9 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 5 to 9 of this Notice; and
- (t) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 5 to 9.

GLOSSARY

In this Explanatory Memorandum, the following terms have the following meaning:

\$ means Australian dollars.

7.1A Mandate has the meaning given in Section 4.1.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 724 791) or the Australian Securities Exchange, as the context requires.

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

Board means the board of directors of the Company.

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

Chair means the chair of the Meeting.

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

- (a) a spouse or child of the member;
- (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 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means South Harz Potash Limited (ABN 64 153 414 852).

Constitution means the Company's constitution.

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

Director mean a director of the Company.

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

Explanatory Memorandum means the Explanatory Memorandum to this Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or

indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

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

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means the notice of meeting accompanying this Explanatory Memorandum.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 2021.

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

Section means a section of the Explanatory Memorandum.

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

Shareholder means a shareholder of the Company.

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

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

SCHEDULE 1 - VALUATION OF THE RELATED PARTY OPTIONS

Using the Black & Scholes option model and based on the assumptions set out below, the Incentive Options were ascribed the following value:

Assumptions:	
Valuation date	23 September 2022
Market price of Shares	\$0.06
Exercise price (hypothetical on 31-Oct-21)	\$0.15
Expiry date (length of time from issue)	5 years
Risk free interest rate	3.11%
Volatility (discount)	93%
Indicative value per Option	\$0.03476
Total Value of all Options	\$160,694

Note:

The valuation noted above is not necessarily the market price that the Options could be traded at and is not automatically the market price for taxation purposes.

SCHEDULE 2 - TERMS AND CONDITIONS OF INCENTIVE OPTIONS

A summary of the terms and conditions of the Non-Executive Incentive Options is set out below:

(a) **Entitlement**

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

(b) **Exercise Price**

Each Option will be exercisable at \$0.15.

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) five (5) years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period and Vesting Conditions**

The Options will vest and become exercisable into Shares subject to the following vesting conditions:

Vesting Condition
There being a 100% increase in the Company's Share price from the 20-Day VWAP prior to the date of the issue of the Incentive Options.

The Options are exercisable into Shares at any time after vesting on or prior to the Expiry Date (**Exercise Period**) after which the Options will lapse.

(e) **Cessation of Employment**

Should the holder cease employment or engagement by the Company:

- (i) any unexercised Non-Executive Incentive Options that have vested as at the date of cessation of employment or engagement with the Company (**Cessation Date**) shall lapse if the holder does not exercise the Non-Executive Incentive Options within a period of 1 month after the Cessation Date; and
- (ii) any unexercised Non-Executive Incentive Options that have not vested as at the Cessation Date shall immediately lapse upon the Cessation Date.

(f) **Automatic Vesting**

Subject to the Company complying with the rules of the ASX and the Corporations Act, each Option will automatically vest and become exercisable into Shares in the event of:

- (i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company having received acceptances for more than 50% of the Company's Shares on issue and being declared unconditional by the bidder; or

- (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (iii) a person acquiring voting power (as defined in section 610 of the Corporations Act) in over 50% of the Company's Shares, in circumstances where such person's voting power was lower than the 50% threshold prior to the date on which the Options were issued; or
- (iv) the Company enters into agreements to sell businesses or assets which are owned by the Company at the date of issue of the Options (whether or not in the form of shares in a subsidiary company) the consideration for which businesses or assets represents more than 50% of the value of all of the businesses and assets owned by the Company at the date of issue of the Options (with reference to the Company's most recent audited financial statements) to a person, or a number of persons, none of which are in the Company's group,

such a determination shall be notified to the holder in writing.

(g) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**).

(h) **Exercise Date**

A Notice of Exercise is only effective on and from the date of receipt of the Notice of Exercise (**Exercise Date**).

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

Within 5 Business Days after the Exercise Date, the Company will:

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

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

(j) **Shares issued on exercise**

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

(k) **Reconstruction of capital**

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

(l) **Participation in new issues**

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

(m) **Change in exercise price**

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

(n) **Transferability**

The Options are not transferable.

SCHEDULE 3 - TERMS AND CONDITIONS OF INCENTIVE OPTION PLAN

1. Definitions and interpretations

1.1 Definitions

For the purposes of below:

- (a) **Class Order** means ASIC Legislative Instrument 14/1000 as amended or replaced from time to time.
- 2. **Eligible Participant** means any Director (whether executive or non-executive), full or part time employee, or casual employee or contractor (to the extent the casual employee or contractor falls within the Class Order), of the Company or an associated body corporate who is declared by the Board to be eligible to be granted Options. The Board may also offer Options to a prospective participant provided the Offer can only be accepted once they meet the eligibility criteria described above.
- 3. **Market Value** in respect of a Share means the volume weighted average market price for Shares traded on the ASX over the 20 most recent trading days on which the Shares were traded prior to the day on which the market value is to be determined.
- 4. **Nominee** means a nominee of an Eligible Participant that is one of the following:
 - (i) an immediate family member of the Eligible Participant or (subject to Board approval) a trustee of an Eligible Participant's family trust whose beneficiaries are limited to the Eligible Participant and/or the Eligible Participant's immediate family members; or
 - (ii) a company whose members comprise no persons other than the Eligible Participant **or immediate family members of the Eligible Participant.**
- 5. **Offer** means an invitation to treat made to an Eligible Participant to be granted one or more Options in accordance with the Long-Term Incentive Plan.
- 6. **Option** means an option to be issued or transferred a Share to be granted pursuant to the Long-Term Incentive Plan.
- 7. **Option Exercise Price** means the exercise price of an Option as determined by the Board.
- 8. **Participant** means an Eligible Participant, or a nominee of an Eligible Participant, to whom Options will be granted under the Long-Term Incentive Plan.

1.2 The material terms of the Incentive Option Plan (Option Plan) are summarised below:

(a) Eligibility

The Board may, from time to time, in its discretion, make a written invitation to any Eligible Participant to apply for Options, upon the terms set out in the Long-Term Incentive Plan and upon such additional terms and conditions as the Board determines.

(b) Offers

An offer of Options must be made using an offer document containing the matters prescribed in the Long-Term Incentive Plan. The number of Options or offered to an Eligible Participant will be determined by the Board in its discretion and in accordance with applicable law and the ASX Listing Rules.

(c) Consideration and Conversion

Each Option granted under the Long-Term Incentive Plan will be granted for nil cash consideration. Each Option is exercisable into one Share.

(d) **Option Exercise Price**

The Option Exercise Price will be determined by the Board prior to the grant of the Options.

(e) **Expiry Date**

The expiry date for Options granted under the Long-Term Incentive Plan will be determined by the Board prior to the grant of the Options.

(f) **Vesting Conditions**

The Options granted under the Long-Term Incentive Plan may be subject to vesting conditions that must be satisfied or waived before an Option or Performance Right can be exercised (Vesting Conditions). The Vesting Conditions will be determined by the Board in its discretion prior to grant of the Options and must be set out in the Offer.

(g) **Exercise**

A Participant may, subject to the terms of the Long-Term Incentive Plan and the Offer, exercise any vested Options at any time after vesting but prior to expiry.

(h) **Cashless Exercise of Options**

If a Participant wishes to exercise some or all of their vested Options they may elect to satisfy the Option Exercise Price by using the cashless exercise facility. Where the cashless exercise facility is used the Participant will be issued or transferred that number of Shares (rounded up to the nearest whole number) equal to:

- (i) the aggregate total Market Value of Shares as at the date the vested Option is exercised that would otherwise be issued or transferred on exercise of the vested Options, less the aggregate total Option Exercise Price otherwise payable in respect of all vested Options exercised;
- (ii) divided by the Market Value of a Share as at the date the vested Option is exercised.

(i) **Lapsing of Options**

Options will lapse:

- (i) if any vesting condition in relation to the Option is not satisfied by the due date, or becomes incapable of satisfaction and is not waived, as determined by the Board;
- (ii) in respect of an unvested Option, when the person to whom the Option or Performance Right was offered ceases to be an Eligible Participant (unless resolved otherwise by the Board in its absolute discretion);
- (iii) in respect of a vested Option, six months after the person to whom the Option or Performance Right was offered ceases to be an Eligible Participant (or such later date agreed by the Board);

- (iv) in the event of unauthorised dealings or hedging of Options, or fraud, dishonesty or other improper behaviour;
- (v) in respect of unvested Options, upon a winding up resolution or order being made (unless otherwise determined by the Board); and
- (vi) on the expiry date.

(j) **Disposal**

Options will not be transferable except to the extent the Long-Term Incentive Plan or any Offer provides otherwise.

(k) **Quotation**

Options will not be quoted on the ASX, except to the extent provided for by the Plan or unless an Offer provides otherwise.

(l) **Trigger Events**

The Board may permit Options to vest in certain circumstances (including adverse health or financial condition of a Participant or in the event of winding up). Options will automatically vest where there is a change in control of the Company (including by takeover or entry into a scheme of arrangement).

(m) **Participation generally**

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

(n) **Change in exercise price**

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

(o) **Reorganisation**

If at any time the capital of the Company is reorganised, the rights of a Participant will be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

(p) **Limitations on Offers**

Where the Company has relied or intends to rely on the Class Order to make an Offer, the Company must have reasonable grounds to believe, when making an Offer, that the number of Shares to be received on exercise of Options offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.

Proxy Voting Form

If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **3.00pm (WST) on Sunday, 30 October 2022** being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

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

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

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at
<https://investor.automic.com.au/#/loginsah>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



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