

19 October 2023

Executive Incentive Share Package

Morella Corporation Limited (**ASX: 1MC** “Morella” or “the Company”) wishes to announce the Board has approved an incentive package to reward the Company’s Directors and Executive for their efforts during the 2022/2023 Financial Year.

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Company’s remuneration philosophy is to attract, motivate and retain high performance and high quality personnel and is designed to align executive reward to shareholders' interests.

As a part of the process to finalise the 30 June 2023 Annual Report for Morella, the Board undertook a thorough review of the Companies performance.

The Remuneration & Nomination Committee, which comprises the full Board of Morella, have determined, the results of the Company during the period warranted an award of Performance Shares to reflect the performance of the Directors and Executive.

The Board has determined that a total of 40,143,723 Performance Shares should be issued to Directors and Executives pursuant to the Company’s Executive Incentive Plan (EIP). The Performance Shares are unrestricted fully paid ordinary shares in the Company.

Shareholders approved the EIP at the 2022 AGM held on 25 November 2022. Under the EIP a grant of Performance Shares, can be made on terms and conditions approved by the Board. Shareholder approval of the EIP enabled the Company to grant entitlements to fully paid ordinary shares for a 3-year period following shareholder approval, without utilising its placement capacity under ASX Listing Rule 7.1.

James Brown, the Managing Director of Morella stated that

“During the 2022/2023 Financial Year the team at Morella have invested significant time, to progress the Company on behalf of the shareholders. It has been a difficult year and not everything has gone our way but the Board could not be more pleased with the efforts of the staff and management.”

“The Board believes that the issue of Equity Securities to Executives is a valuable tool to assist the Company in the retention of the Directors and Management of the Company. Remuneration packages are reviewed and determined with due regard to relevant market conditions and each individual’s experience and qualification and are benchmarked against comparable industry salaries.”

“The Board believes that the Company continues to move forward with its portfolio and is extremely optimistic in regard to the potential of the Company’s projects at Mallina in Western Australia and Fish Lake Valley and North Big Smoky in Nevada USA. We have a rigorous evaluation strategy in place for Mallina and Fish Lake Valley with the foundation of this work to be delivered before the year end and setting the platform for further progression in 2024.”

The Company intends to seek shareholder approval for the issue of the following Performance Shares to the Directors when the next general meeting of the Company is convened. The Board does not consider it necessary to call a meeting solely to approve the grant of these Performance Shares to the Directors.

Director	Performance Shares
James Brown	10,487,395
Allan Buckler	1,573,109
Beng T Kuan	1,573,109
Dan O'Neil	1,573,109
Total	15,206,722

The Company also intends to issue 24,937,001 Performance Shares on or around 23 October 2023 to members of the Executive (other than Directors) whose issue, under the EIP, the Company is not required to seek shareholder approval for.

Contact for further information

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This announcement has been authorised for release by the Board of Morella Corporation Limited.

About Morella Corporation Limited Morella (ASX:1MC) is a lithium focused exploration and resource development company. Morella is currently engaged in exploration activities on projects, strategically located, in Tier 1 mining jurisdictions in both Western Australia and the United States of America. Morella will secure and develop lithium raw materials to support the surging demand for battery minerals, critical in enabling the global transition to green energy.