
COSOL LIMITED

ACN 635 371 363

NOTICE OF EXTRAORDINARY GENERAL MEETING & EXPLANATORY MEMORANDUM

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

TIME: 9.00am (AWST)
DATE: 28 September 2023
PLACE: Level 18 Alluvion, 58 Mounts Bay Road,
Perth, WA, 6000

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 Extraordinary General Meeting, please complete the proxy form enclosed and return it in accordance with the instructions set out on that form.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary Lisa Wynne, by telephone on +61 415 501 683 or via email lisa.wynne@cosol.global

INTRODUCTION

Notice is given that an Extraordinary General Meeting of Shareholders will be held at Level 18 Alluvion, 58 Mounts Bay Road, Perth, WA, 6000 on 28 September 2023 at 9.00 (AWST). The Explanatory Memorandum to this Notice of Meeting provides additional information on matters to be considered at the Extraordinary General Meeting. The Explanatory Memorandum and the Proxy Form are part of this Notice of Meeting.

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

AGENDA

1 RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES UNDER LISTING RULE 7.1

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 approve and ratify the issue of 3,542,682 Shares issued to sophisticated and professional investors on 15 August 2023 under the Company’s placement capacity under Listing Rule 7.1 and otherwise on the terms and conditions set out in the Explanatory Memorandum.”

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

- (a) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (b) an associate of that person or those persons.

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

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

2 RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES UNDER LISTING RULE 7.1A

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 approve and ratify the issue of 14,757,971 Shares issued to sophisticated and professional investors on 15 August 2023 under the Company’s placement capacity under Listing Rule 7.1A and otherwise on the terms and conditions set out in the Explanatory Memorandum.”

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

- (a) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (b) an associate of that person or those persons.

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

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

- (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.

3 RESOLUTION 3 – APPROVAL TO ISSUE DIRECTOR PLACEMENT SHARES TO GEOFFREY LEWIS

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue and allotment of 653,595 Shares to Geoffrey Lewis (or his nominee) on the terms and conditions set out in the Explanatory Memorandum.”

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

- (a) Geoff Lewis (or his nominee); or
- (b) an associate of Geoff Lewis (or his nominee),

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) or an associate of that person or those persons.

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

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

4 RESOLUTION 4 – APPROVAL TO ISSUE DIRECTOR PLACEMENT SHARES TO STEPHEN JOHNSTON

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue and allotment of 653,595 Shares to Stephen Johnston (or his nominee), on the terms and conditions set out in the Explanatory Memorandum.”

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

- (a) Stephen Johnston (or his nominee); or
- (b) an associate of Stephen Johnston (or his nominee),

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

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5 RESOLUTION 5 – APPROVAL OF EMPLOYEE INCENTIVE 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 Incentive Plan” and for the issue of securities under that plan on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favor 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 the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney on the resolution in that way;
- (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:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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

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

However, the above prohibition does not apply if:

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

ENTITLEMENT TO VOTE

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 as Shareholders of the Company at 5pm (AWST) on 26 September 2023.

By Order of the Board

Lisa Wynne
Company Secretary
30 August 2023

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Extraordinary General Meeting to be held at Level 18 Alluvion, 58 Mounts Bay Road, Perth, WA, 6000 on 28 September 2023 commencing at 9.00am (AWST).

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

The Company will not be dispatching physical copies of the Notice of Meeting and Explanatory Memorandum to Shareholders unless a Shareholder has specifically elected to receive a printed copy. This Notice of Meeting is being made available to Shareholders electronically.

1 RESOLUTIONS 1 & 2 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES UNDER LISTING RULES 7.1 AND 7.1A

1.1 Background

On 3 August 2023, the Company announced that it has entered into a binding Share Purchase Agreement (**SPA**) to acquire 100% of the issued shares in two entities, AssetOn Group Pty Ltd and OnPlan Technologies Pty Ltd (together the “**Acquisition**” or “**AssetOn Group**”).

AssetOn Group serves major natural resource companies such as Rio Tinto, Glencore, Anglo American, BHP and BMA (BHP Mitsubishi Alliance). Energy and utility customers include Santos, AGL Energy, Arrow Energy and Sunwater. Like COSOL’s, AssetOn Group’s relationships with customers are long-term, high level and growing.

AssetOn Group’s service offering is underpinned by its proprietary software platform OnPlan, which is a Software as a Service (“**SaaS**”) product that is an end-to-end enterprise-grade digital system for efficiently building, maintaining and deploying asset strategy and work instructions for large industrial assets.

The acquisition creates a market leading asset management software and services group, accelerates COSOL’s core Asset-Management-as-a-Service (“**AMaaS**”) strategy, expands the Company’s blue-chip client base and builds COSOL’s proprietary IP stack with proven software that has high customer retention to partially fund the acquisition of AssetOn Group Pty Ltd and OnPlan Technologies Pty Ltd (together the “**Acquisition**” or “**AssetOn Group**”).

On 4 August 2023, the Company announced a capital raising through the issue of 18,300,653 Shares (**Placement Shares**) to professional and sophisticated investors at an issue price of \$0.765 per Placement Share to raise a total of approximately \$14 million (before costs) (**Placement**) to partially fund the acquisition of AssetOn and OnPlan.

The Placement Shares were issued on 15 August 2023 under the Company’s Listing Rule 7.1 and 7.1A capacity as follows:

- (a) 3,542,682 Placement Shares were issued under Listing Rule 7.1 and are the subject of Resolution 1; and
- (b) 14,757,971 Placement Shares were issued under Listing Rule 7.1A and are the subject of Resolution 2.

The Company confirms that the issue of the Placement Shares did not breach Listing Rule 7.1 or 7.1A.

Directors of COSOL, Geoffery Lewis and Stephen Johnston have committed to subscribing for a further \$1 million in the Placement (a further 1,307,190 Placement Shares), subject to Shareholder approval at the general meeting of the Company’s shareholders scheduled to be held 28 September 2023 (“**Tranche 2**”). Refer to Resolutions 3 and 4 to this Notice of Meeting at section 2 in the Explanatory Memorandum for further information.

1.2 Listing Rules 7.1, 7.1A and 7.4

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 shareholders over any 12-month period to 15% of the fully paid shares it had on issue at the start of that period.

The issue of the Placement 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 under 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 Placement Shares.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase the 15% limit under Listing Rule 7.1 by an extra 10% to 25% (**Listing Rule 7.1A Mandate**). Shareholders approved this additional capacity at the Company's last annual general meeting on 17 November 2022.

The issue of the Placement Shares does not fit within any of the exceptions in Listing Rule 7.2 and, as it has not been approved by Shareholders, uses up part of the additional 10% limit in Listing Rule 7.1A, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1A for the Period ending on the earliest of:

- (a) the date that is 12 months after the Company's last annual general meeting at which the Listing Rule 7.1A Mandate was approved;
- (b) the time and date of the Company's next annual general meeting; and
- (c) the time and date on which Shareholders approve a transaction under Listing Rule 11.1.2 (for a significant change to the nature or scale of the Company's activities) or Listing Rule 11.2 (for the disposal of the Company's main undertaking),

(Listing Rule 7.1A Mandate Expiry Date).

Listing Rule 7.4 allows the shareholders of a listed company to approve issues of Equity Securities that have reduced the listed company's placement capacities under Listing Rule 7.1 (15% limit) and Listing Rule 7.1A (10% limit). If Shareholders approve an issue under Listing Rule 7.4, the issue is taken to have been approved under Listing Rule 7.1 or Listing Rule 7.1A and does not reduce the Company's placement capacities under those rules.

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 1 and 2 seek Shareholder approval for the issue of the Placement Shares under and for the purposes of Listing Rule 7.4.

1.3 Technical Information required by Listing Rule 14.1A

If Resolution 1 is passed, the 3,542,682 Placement Shares the subject of Resolution 1 will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Placement Shares. If Resolution 2 is passed, the Placement Shares will be excluded in calculating the Company's 15% placement capacity in Listing Rule 7.1.

If Resolution 1 is not passed, the issue of the 3,542,682 Placement Shares the subject of Resolution 1 will be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the date of issue of the Placement Shares.

If Resolution 2 is passed, the 14,757,971 Placement Shares the subject of Resolution 2 will be excluded in calculating the Company's additional 10% limit in Listing Rule 7.1A, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval for the period ending on the Listing Rule 7.1A Mandate Expiry Date.

If Resolution 2 is not passed, the 14,757,971 Placement Shares will be included in calculating the Company's additional 10% limit in Listing Rule 7.1A, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval for the period ending on the Listing Rule 7.1A Mandate Expiry Date.

1.4 Technical Information required by Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5 in relation to Resolutions 1 and 2:

- For personal use only
- (a) The Placement Shares were issued to professional and sophisticated investors (within the meaning of sections 708(8) – (11) of the Corporations Act), 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. The Placement Shares were issued to sophisticated and professional investors who are clients of Ord Minnett Limited and Euroz Hartleys Limited. The recipients were identified through a bookbuild process, where expression of interest to participate in the capital raising from non-related parties of the Company were sought.
 - (b) All of the Placement Shares issued were fully paid ordinary shares, which rank equally with all other existing Shares from their date of issue.
 - (c) A total of 3,542,682 Placement Shares were issued on 15 August 2023 pursuant to Listing Rule 7.1.
 - (d) A total of 14,757,971 Placement Shares were issued on 15 August 2023 pursuant to Listing Rule 7.1A.
 - (e) The Shares were issued for a cash consideration of \$0.765 per Placement Share, raising a total of approximately \$14 million (before costs).
 - (f) The purpose of the issue of the Placement Shares was to raise additional funds for the Company, with the funds proposed to be used to partially fund the acquisition of AssetOn and OnPlan.
 - (g) The Placement Shares were not issued under an agreement.
 - (h) A voting exclusion statement is included in the Notice for Resolutions 1 and 2.

1.5 Directors' recommendation

The Board recommends Shareholders vote in favour of Resolutions 1 and 2.

2 RESOLUTIONS 3 & 4 – APPROVAL TO ISSUE DIRECTOR PLACEMENT SHARES TO GEOFFREY LEWIS AND STEPHEN JOHNSTON

2.1 Background

A summary of the Placement is set out in Section 1.1 above. As announced by the Company on 4 August 2023, certain Directors have committed to subscribing for (in aggregate) approximately \$1 million worth of Shares in the Placement, subject to Shareholder approval.

Resolutions 3 and 4 seek Shareholder approval to issue and allot 653,595 Shares to each of:

- (a) Geoffrey Lewis or his nominee; and
- (b) Stephen Johnston or his nominee,

at an issue price of \$0.765 per Share in accordance with the terms of the Placement (**Director Placement Shares**).

2.2 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue Equity Securities to persons in a position of influence without shareholder approval.

A person in a position of influence for the purposes of Listing Rule 10.11 includes:

- (a) a Related Party;
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the Company;
- (c) 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 paragraphs (a) to (c) above; and
- (e) a person whose relationship with the Company or a person referred to in paragraphs (a) to (d) above is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders.

As Directors, Messrs Lewis and Johnston are each a Related Party and accordingly fall within Listing Rule 10.11. The proposed issue of the Director Placement Shares does not fall within any of the exceptions in Listing Rule 10.12 and therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 3 and 4 seek the required Shareholder approval for the issue of the Director Placement Shares to Messrs Lewis and Johnston (or their respective nominees) under and for the purposes of Listing Rule 10.11.

If approval is obtained under Listing Rule 10.11 then, in accordance with Listing Rule 7.2 (exception 14), separate approval is not required under and for the purposes of Listing Rule 7.1.

2.3 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a Related Party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the exceptions set out in section 210 to 216 of the Corporations Act; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit in the manner set out in section 217 to 227 of the Corporations Act and the benefit is given within 15 months following such approval.

The proposed issue of Director Placement Shares (which is a type of Equity Security, for the purposes of Chapter 2E of the Corporations Act) constitutes the giving of a financial benefit.

The Directors (excluding Mr Lewis and Mr Johnston) have carefully considered the issue of the Director Placement Shares and formed the view that the giving of this financial benefit is on arm's length terms, as the securities proposed are on the same terms as offered to non-related parties of the Company under the Placement.

Accordingly, the Directors (excluding Mr Lewis and Mr Johnston) believe that the issue of the Director Placement Shares fall within the "arm's length terms" exception as set out in section 210 of the Corporations Act and relies on this exception for the purposes of Resolutions 2 and 4. Therefore, the proposed issue of Director Placement Shares requires Shareholder approval under and for the purposes of Listing Rule 10.11 only.

2.4 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, the Company will be able to proceed with the issue of the 653,595 Director Placement Shares to Mr Lewis (or his nominee).

If Resolutions 3 is not passed, the Company will not be able to proceed with the issue of the 653,595 Director Placement Shares to Mr Lewis (or his nominee) and may need to consider alternative means of raising capital.

If Resolution 4 is passed, the Company will be able to proceed with the issue of the 653,595 Director Placement Shares to Mr Johnston (or his nominee).

If Resolutions 4 is not passed, the Company will not be able to proceed with the issue of the 653,595 Director Placement Shares to Mr Johnston (or his nominee) and may need to consider alternative means of raising capital.

2.5 Information required by Listing Rule 10.13

The following information is provided to Shareholders for the purposes of Listing Rule 10.13 in relation to Resolutions 3 and 4:

- (a) The proposed allottees of the Director Placement Shares are:
 - (i) Geoffrey Lewis (or his nominee); and
 - (ii) Stephen Johnson (or his nominee).
- (b) Messrs Lewis and Johnston are Directors and therefore fall into the category referred in Listing Rule 10.11.1.
- (c) The maximum number of Director Placement Shares to be issued is 1,307,190, comprised of 653,595 Director Placement Shares to be issued to each of Mr Lewis (or his nominee) and Mr Johnston (or his nominee).
- (d) The Director Placement Shares will be fully paid on issue and rank equally with all other existing Shares from the date of their issue.
- (e) The Director Placement Shares will be issued within 1 month of Shareholder approval being obtained by the Company (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue of the Director Placement Shares will occur as soon as practicable after the Meeting.
- (f) The Director Placement Shares will be issued at a price of \$0.765 per Director Placement Share.

- (g) Funds raised from the issue of the Director Placement Shares are proposed to be used to partially fund the acquisition of AssetOn and OnPlan.
- (h) The issue is not intended to remunerate or incentivise Messers Lewis or Johnston.
- (i) The Director Placement Shares are not being issued pursuant to an agreement.
- (j) A voting exclusion statement is included in the Notice for Resolutions 3 and 4.

2.6 Director's Recommendation

The Board (Mr Lewis and Mr Johnston abstaining) recommend Shareholders vote in favour of Resolutions 3 and 4.

3 RESOLUTION 5 – ADOPTION OF EMPLOYEE INCENTIVE PLAN

3.1 General

The Company's current Employee Option Plan was last approved by Shareholders on 4 November 2020 and is required to be re-approved at the Company's next annual general meeting under and for the purposes of Listing Rule 7.2 (Exception 13(b)).

Resolution 5 seeks Shareholder approval for the Company to adopt a new Employee Incentive Plan (**New EIP**) rather than to re-approve the current Employee Option Plan.

The objective of the New EIP is to attract, motivate and retain key personnel of the Company. The Company considers that the adoption of the New EIP will provide a cost-effective method of incentivising and remunerating its personnel whilst allowing the Company to spend a greater portion of its cash reserves on its operations than it would if alternative cash forms of remuneration were required to be paid to incentivise and remunerate those personnel.

Accordingly, the Company seeks Shareholder approval to adopt the New EIP for the purposes set out in this Explanatory Memorandum.

A summary of the key terms of the New EIP is set out in Appendix 2. A copy of the rules of the New EIP is available upon request from the Company.

3.2 Listing Rule 7.1 and 7.2 (Exception 13(b))

A summary of Listing Rule 7.1 is set out in Section 1 of this Explanatory Memorandum.

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.

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 amount set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which the shareholder approval was pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

3.3 Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the Company will be able to issue Equity Securities under the New EIP (including Options and Performance Rights and underlying Shares on exercise of those Options and Performance Rights) to eligible participants over a period of 3 years. The issue of any Equity Securities to eligible participants under the New EIP (up to the maximum number of Equity Securities stated in Section 3.4(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 securities under the New EIP 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 5 is not passed, the Company will be able to proceed with the issue of Equity Securities under the EIP to eligible participants, but any issues of Equity Securities 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 those Equity Securities.

3.4 Technical information required by Listing Rule 7.2 (Exception 13(b))

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13(b)), the following information is provided in relation to Resolution 5:

- (a) a summary of the key terms and conditions of the New EIP is set out in Appendix 2;
- (b) since the Employee Option Plan was last approved by Shareholders on 4 November 2020, the Company has issued 12,837,500 Equity Securities under the Employee Option Plan;
- (c) the maximum number of Equity Securities proposed to be issued under the New EIP following Shareholder approval is 9,000,000 Equity Securities; and
- (d) a voting exclusion statement is included in the Notice for Resolution 5.

3.5 Director recommendation

The Board support the proposed New EIP and recommends that Shareholders vote in favour of Resolution 5.

For personal use only

GLOSSARY

\$ means Australian dollars.

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

Appendix means an appendix to this Notice.

AssetOn means AssetOn Group Pty Ltd.

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

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

Chair means the chair of the Extraordinary 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 2001* (Cth).

Company means COSOL Limited ACN 635 371 363.

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

Director means a current director of the Company.

Director Placement Shares has the meaning given in Section 2.1.

Employee Option Plan means the Company's existing employee option plan adopted on 4 November 2020.

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

Explanatory Memorandum means the Explanatory Memorandum accompanying the Notice of Meeting.

Extraordinary General Meeting or Meeting means the meeting convened by the Notice of Meeting.

Listing Rules means the Listing Rules of ASX.

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 Rule 7.1A Mandate has the meaning given in Section 1.2.

Listing Rule 7.1A Mandate Expiry Date has the meaning given in Section 1.2.

New EIP has the meaning given in Section 3.1

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

OnPlan means OnPlan Technologies Pty Ltd.

Placement has the meaning given in Section 1.1.

Placement Shares has the meaning given in Section 1.1.

Proxy Form means the enclosed appointment of proxy form.

Related Party has the meaning given in section 228 of the Corporations Act.

Release Date has the meaning given in Section 3.1.

Relevant Period has the meaning given in Section 3.1.

Resolution means the resolution set out in the Notice.

Section means a section contained in the Explanatory Memorandum.

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

Shareholder means a registered holder of a Share.

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

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APPENDIX 1 – SUMMARY OF NEW EIP

The key features of the New EIP are set out in this Appendix 1.

1. Nature of Plan

An incentive awards plan providing for the issue of shares, options and performance rights (**Awards**) as incentives to Eligible Participants.

2. Eligible Participants

Eligible Participants are current or proposed:

- (a) Directors (whether executive or non-executive) of the Company and any Associated Body Corporate of the Company (each, a “Group Company”); or
- (b) full, part time or casual employees or individual contractors of any Group Company;

who are declared by the Board to be eligible to receive grants of Awards under the Incentive Awards Plan.

3. Invitation

The Board may, in its absolute discretion, make a written invitation to any Eligible Participant to apply for Awards upon the terms set out in the Incentive Awards Plan and upon such additional terms and conditions as the Board determines. On receipt of an Invitation, an Eligible Participant (or their permitted nominee) may apply for the Awards the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in its discretion.

4. Invitation limits

Where an Invitation is proposed to be made in reliance on the employee share scheme (**ESS**) provisions of the Corporations Act (**ESS Provisions**), and the Award offered requires cash consideration to be paid either on issue or exercise (eg an Option with an exercise price), the Company must reasonably believe, when making such an Invitation, that the Invitation will not result in the Company breaching the cap imposed by the ESS Provisions.

In general terms the cap is equal to 5% of Shares on issue (or such other percentage set in the Company’s constitution), taking into account any Shares issued or that may be issued under the Plan in the past 3 years.

5. Conditions to acquisition of Awards

The issue of Awards is conditional on any necessary shareholder, constitutional and regulatory approval being obtained.

6. Terms of Convertible Securities

- (a) Each Option or Performance Right (each a **Convertible Security**) will entitle its holder to subscribe for and be issued or transferred, one Share (upon vesting and exercise of that Convertible Security) unless the Plan or an applicable Invitation otherwise provides.
- (b) There are no participating rights or entitlements inherent in Convertible Securities and participants will not be entitled to participate in new issues of securities offered to Shareholders of the Company without exercising the Convertible Securities.
- (c) There is no right to a change in the exercise price or in number of underlying Shares over which a Convertible Security can be exercised, except to the extent permitted by the Listing Rules.
- (d) A Convertible Security does not entitle a participant to vote except as otherwise required by law.
- (e) A Convertible Security does not confer any right to a return of capital, whether in a winding up, or upon a return of capital or otherwise, or a right to participate in surplus profit or assets of the Company upon a winding up.
- (f) A Convertible Security does not confer an entitlement to participate in or receive any dividend (whether fixed or at the discretion of the Board) until the Convertible Security has vested and been exercised and Shares have been allocated as a result of the exercise of the Convertible Security.

7. Vesting and exercise of Convertible Securities

Convertible Securities will not vest and be exercisable unless the vesting conditions (if any) attaching to that Convertible Security (**Vesting Conditions**) have been satisfied and the Board has notified the Eligible Participant of that fact. The Board may, in its absolute discretion, by written notice to a Participant, resolve to waive any of

the Vesting Conditions applying to Convertible Securities.

There is no automatic vesting on a change of control but it can be provided for in specific Invitations for specific Convertible Securities.

A vested Convertible Security may, subject to the terms of any Invitation, be exercised by the holder at any time before it lapses.

8. **Cashless Exercise Facility**

The Board may, in its discretion, where the 7 day VWAP price of Shares (**Market Value**) is higher than the exercise price of vested Options, permit a Participant not pay the exercise price for exercised Options and instead be issued that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the time of exercise and the Exercise Price that would otherwise be payable to exercise those Options (with the number of Shares rounded down to the nearest whole Share) (**Cashless Exercise Facility**).

9. **Lapsing of Convertible Securities**

A Convertible Security will lapse upon the earlier of:

- (a) the Board, in its discretion, resolving a Convertible Security lapses as a result of an unauthorised disposal of, or hedging of, the Convertible Security;
- (b) a Vesting Condition not being satisfied or becoming incapable of satisfaction (and not being waived by the Board in its discretion);
- (c) in respect of an unvested Convertible Security, the holder ceases to be an Eligible Participant and the Board does not exercise its discretion to vest the Convertible Security or allow it to remain unvested;
- (d) in respect of a vested Convertible Security, a holder ceases to be an Eligible Participant and the Board, in its discretion, resolves that the Convertible Security must be exercised within one month (or such later date as the Board determines) of the date the Relevant Person ceases to be an Eligible Participant, and the Convertible Security is not exercised within that period and the Board resolves, at its discretion, that the Convertible Security lapses as a result;
- (e) the Board deems that a Convertible Security lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant under the rules of the Incentive Awards Plan;
- (f) in respect of an unvested Convertible Security, a winding up resolution or order is made, and the Convertible Security does not vest in accordance with rules of the Incentive Awards Plan;
- (g) the Participant and the Company agreeing that the Convertible Security is voluntarily forfeited or cancelled; and
- (h) the Expiry Date of the Convertible Security.

10. **Disposal Restriction on Convertible Securities**

Except as otherwise provided for by the Incentive Awards Plan, an Invitation, the Listing Rules or required by law, a Convertible Security may only be disposed:

- (a) with the consent of the Board (which may be withheld in its discretion) in Special Circumstances, being:
 - (i) ceasing to be an Eligible Participant due to death or total or permanent disability, or retirement or redundancy;
 - (ii) severe financial hardship; or
 - (iii) any other circumstance stated to constitute "special circumstances" in the terms of the relevant Invitation; or
- (b) by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.

11. **Disposal Restrictions on Shares**

- (a) Shares can be made subject to a Restriction Condition and/or a Restriction Period, either of which prohibit disposal until satisfied or waived at the Board's discretion (unless an Invitation otherwise provides).
- (b) Shares are deemed to be subject to a Restriction Period to the extent necessary to comply with any escrow restrictions imposed by the Listing Rules
- (c) If a Restriction Condition is not met (and is not waived), the Company may, amongst other remedies, buyback and cancel the Shares for nil consideration, sell the Shares for at least 80% of market value and retain the sale proceeds, or declare the Shares to be forfeited and, where held by a trustee, for the Shares to return to the unallocated pool or to be allocated to a different Participant.
- (d) A Share that is subject to a Restriction Period is not at risk of buyback/forfeiture, it is just unable to be

disposed of during the Restriction Period.

- (e) The Company may implement any procedure it considers appropriate to restrict a Participant from dealing with any Shares for as long as those Shares are subject to a Restriction Period.
- (f) The Participant agrees to execute a restriction agreement in relation to the Restricted Shares reflecting any Restriction Period applying to the Restricted Shares under the Plan or any escrow imposed by the Listing Rules.

12. Other Key Terms

- (a) All Shares issued under the Incentive Awards Plan will rank equally in all respects with the Shares of the same class for the time being on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.
- (b) In the event of a reorganisation of the capital of the Company, all rights of the holder of an Award will be amended to the extent necessary to comply with the Corporations Act and the Listing Rules applying to reorganisations at the time of the reorganisation.
- (c) Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies to the Awards except to the extent an Invitation provides otherwise.
- (d) No issue or allocation of Awards and/or Shares will be made to the extent that it would contravene the Constitution, Listing Rules, the Corporations Act or any other applicable law.



COSOL LIMITED
ACN 635 371 363

LODGE YOUR VOTE

ONLINE
<https://investorcentre.linkgroup.com>

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
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150; or
Level 12, 680 George Street, Sydney NSW 2000

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



X999999999999

PROXY FORM

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

APPOINT A PROXY

the Chairman of the Meeting (mark box)

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

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 Extraordinary General Meeting of the Company to be held at **09:00am (AWST) on Thursday, 28 September 2023 at Level 18 Alluvion, 58 Mounts Bay Road Perth WA 6000 (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 3, 4, & 5: 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 3, 4, & 5, 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

Resolutions	For	Against	Abstain*	Resolutions	For	Against	Abstain*
1 Ratification of Prior Issue of Placement Shares Under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval of Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Ratification of Prior Issue of Placement Shares Under Listing Rule 7.1a	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Approval to Issue Director Placement Shares to Geoffrey Lewis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Approval to Issue Director Placement Shares to Stephen Johnston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

i * 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)
<input type="text"/>	<input type="text"/>	<input type="text"/>
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).

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STEP 1

STEP 2

STEP 3



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

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

DEFAULT TO CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **09:00am (AWST) on Tuesday, 26 September 2023**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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



ONLINE

<https://investorcentre.linkgroup.com>

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



BY MOBILE DEVICE

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

QR Code



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



BY MAIL

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



BY FAX

+61 2 9287 0309



BY HAND

Deliver it to Link Market Services Limited*
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150
or
Level 12
680 George Street
Sydney NSW 2000

*during business hours Monday to Friday (9:00am - 5:00pm) and subject to public health orders and restrictions

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