

# Notice of Annual General Meeting

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



**STRATEGIC**  
ELEMENTS

NOTICE is hereby given that the Annual General Meeting of members of Strategic Elements Limited ("the Company") will be held at:

**Trinity on Hampden Conference Centre: 230 Hampden Rd, Crawley WA 6009,  
WA on 28 November 2023 at 3:00pm (WST).**

The Explanatory Notes to this Notice provide additional information on matters to be considered at the Meeting. The Explanatory Notes and Proxy Form form part of this Notice. Shareholders are urged to vote by attending the Meeting in person or by returning a completed Proxy Form. Terms and abbreviations used in this Notice and Explanatory Notes are defined in the Explanatory Notes.

## Ordinary Business

### Agenda Item 1 - Accounts and Reports

To receive and consider the Financial Reports of the Company and reports of the Directors and Auditor for the year ended 30 June 2023.

### Agenda Item 2 - Resolutions

#### RESOLUTION 1: Remuneration Report

To consider and, if thought fit, to pass the following resolution as a non-binding ordinary resolution of the Company:

*"That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Company's Remuneration Report as set out in the Company's Annual Report for the year ending 30 June 2023."*

A voting exclusion statement is set out below.

*Please note that the vote on this resolution is advisory only and does not bind the Directors or the Company.*

#### RESOLUTION 2: Re-election of Mr Elliot Nicholls as a Director

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

*"That Mr Elliot Nicholls, being a Director of the Company who retires in accordance with Clause 11.3 of the Company's Constitution and for all other purposes, offers himself for re-election, being eligible, is re-elected as a Director of the Company."*

#### RESOLUTION 3: Approval of new Employee Securities Incentive Plan

To consider and, if thought fit, 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, Shareholders approve the adoption by the Company of the Strategic Elements Employee Securities Incentive Plan and the issue of securities under that Plan, on the terms and conditions set out in Explanatory Notes."*

A voting exclusion statement and voting prohibition statement are set out below.

#### RESOLUTION 4: Approval of Termination Benefits under the Employee Securities Incentive Plan

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

*"That, pursuant to and in accordance with Part 2D.2 of the Corporations Act (including sections 200B and 200E of the Corporations Act) and Listing Rule 10.19 and for all other purposes, Shareholders approve the giving of benefits detailed in the Explanatory Notes to any person (excluding Non-Executive Directors) who from time to time is or has been a member of the Key Management Personnel or holds or has held a managerial or executive office in the Company or a related body corporate (Relevant Personnel) in connection with that person ceasing to hold that managerial or executive office."*

A voting exclusion statement and voting prohibition statement are set out below.

**RESOLUTION 5: Grant of Performance Rights to Mr Charles Murphy**

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

*"That, for the purposes of section 195(4) of the Corporations Act, Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 2,000,000 Performance Rights to Mr Charles Murphy (or his nominee) under the terms of the Strategic Elements Employee Securities Incentive Plan as further detailed in the Explanatory Notes."*

A voting exclusion statement and voting prohibition statement are set out below.

**RESOLUTION 6: Grant of Performance Rights to Mr Matthew Howard**

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

*"That, for the purposes of section 195(4) of the Corporations Act, Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 2,000,000 Performance Rights (and to Mr Matthew Howard (or his nominee) under the terms of the Strategic Elements Employee Securities Incentive Plan as further detailed in the Explanatory Notes."*

A voting exclusion statement and voting prohibition statement are set out below.

**RESOLUTION 7: Grant of Performance Rights to Mr Elliot Nicholls**

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

*"That, for the purposes of section 195(4) of the Corporations Act, Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to 2,000,000 Performance Rights) to Mr Elliot Nicholls (or his nominee) under the terms of the Strategic Elements Employee Securities Incentive Plan as further detailed in the Explanatory Notes."*

A voting exclusion statement and voting prohibition statement are set out below.

**Voting Prohibition and Exclusion Statement**

Pursuant to Listing Rule 14.11 and the Corporations Act, the Resolutions are subject to the voting exclusion and prohibition statements set out in the table below.

The Company will disregard any votes cast in favour of the following Resolutions by or on behalf of the following persons excluded from voting, or an associate of those persons:

RESOLUTION	The Company will disregard any votes cast in favour of the Resolution:
Resolution 1 Remuneration Report	<ul style="list-style-type: none"> <li>by, or on behalf of, a member of the KMP details of whose remuneration is included in the Remuneration Report for the year ended 30 June 2023, or that KMP's Closely Related Party; or</li> <li>as a proxy by a member of the KMP at the date of the meeting, or that KMP's Closely Related Party, unless the vote is cast for a person who is entitled to vote on this resolution:</li> </ul>

- (a) in accordance with their directions on how to vote as set out in the proxy form; or
- (b) the proxy is the Chair of the meeting and the appointment expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the KMP.

**Resolution 3**

Approval of new Employee Securities Incentive Plan

- by a person who is eligible to participate in the Strategic Elements Employee Securities Incentive Plan; or
- as a proxy by a member of the KMP at the date of the meeting, or that KMP's Closely Related Party, unless the vote is cast for a person who is entitled to vote on this resolution:
  - (a) in accordance with their directions on how to vote as set out in the proxy form; or
  - (b) the proxy is the Chair of the meeting and the appointment expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the KMP.

**Resolution 4**

Approval Termination Benefits under Employee Securities Incentive Plan

- by an officer of the Company or any of its child entities (as defined in the Listing Rules) who is entitled to participate in a termination benefit;
- by any Shareholder who is:
  - (a) Relevant Personnel (as defined in Resolution 4) or may become Relevant Personnel in the future; or
  - (b) an associate of the Relevant Personnel or of a person who may become Relevant Personnel in the future,

and wishes to preserve the benefit of Resolution 4 for that Relevant Personnel (or potential Relevant Personnel), must not vote on this Resolution. However, the Shareholder may cast a vote if the vote is cast as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of any person listed in (a) or (b) above.

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

#### **Resolutions 5, 6 & 7**

Grant of Performance Rights to Directors

- a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Strategic Elements Employee Securities Incentive Plan; or
- as a proxy by a member of the KMP at the date of the meeting, or that KMP's Closely Related Party, unless the vote is cast for a person who is entitled to vote on this Resolution:
  - (a) in accordance with their directions on how to vote as set out in the proxy form; or
  - (b) the proxy is the Chair of the meeting and the appointment expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the KMP.

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

- 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
- 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 of the holder to vote in that way.

#### **Proxies**

Please note that:

1. a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
2. a proxy need not be a member of the Company; and
3. a member of the Company entitled to cast two or more votes may appoint a maximum of two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

Pursuant to sections 250BB and 250BC of the Corporations Act:

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

If you appoint the Chair as your proxy (or the Chair becomes your proxy by default) and the appointment does not specify the way the proxy is to vote on Resolution 1, you expressly authorise the Chair to exercise the proxy on Resolution 1.

#### **Proxy vote if appointment specifies way to vote**

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

1. the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way;
2. if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
3. if the proxy is the Chair at which the resolution is voted on – the proxy must vote on a poll, must vote that way; and
4. if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way.

#### **Transfer of non-chair proxy to chair in certain circumstances**

Section 250BC of the Corporations Act provides that, if:

1. an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
2. the appointed proxy is not the Chair;
3. at the meeting, a poll is duly demanded on the resolution; and
4. either of the following applies:
  - (a) the proxy is not recorded as attending the meeting;
  - (b) the proxy does not vote on the resolution,

the Chair is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

#### **Corporate representative**

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. Any corporate Shareholder who has appointed a person to act as its corporate representative at the Annual General Meeting must comply with the execution and appointment requirements set out on the Proxy Form and otherwise with the provisions of sections 127 and 250D of the Corporations Act or with the legal requirements of the country in which that corporate Shareholder was incorporated.

The representative should be provided with a certificate or letter authorising him or her to act as that Company's representative including any authority under which it is signed. The authority may be sent to the Company and/or registry in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

**Entitlement to attend and vote**

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth), the Board has determined that, for the purposes of the Annual General Meeting, Shareholders are those persons who are the registered holders of Shares in the Company at 4pm (WST) on 26 November 2023. Accordingly, transactions registered after that time will be disregarded in determining a Shareholder's entitlement to attend and vote at the Meeting.

By order of the Board of Directors:



Matthew Howard  
Strategic Elements Limited  
25th October 2023

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## Explanatory Notes

### 1. Accounts and Reports

The Corporations Act requires the financial report and the reports of the Directors and Auditor to be laid before the Annual General Meeting and the Company's Constitution provides for these reports to be received and considered. Neither the Corporations Act nor the Constitution requires a vote of Shareholders at the Annual General Meeting on these reports.

Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report for the financial year ended 30 June 2023 which is available on the ASX platform at [www.asx.com.au](http://www.asx.com.au);
- (b) ask questions or make comment on the management of the Company; and
- (c) ask the Auditor questions about the conduct of the audit and the preparation and content of the Auditor's report.

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

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

may be submitted no later than 5 business days before the Meeting to the company Secretary at the Company's registered office.

### 2. RESOLUTION 1: Remuneration Report

#### 2.1 Introduction

The Remuneration Report discloses the remuneration of Directors of the Company. This report can be found within the Directors Report of the Annual Report.

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out remuneration details for each Director and each of the Company's executives and group executives named in the Remuneration Report for the financial year ended 30 June 2023.

Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted. The vote is advisory only and does not bind the Directors or the Company. The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

The Chair will give Shareholders a reasonable opportunity to ask questions about or to make comments on the Remuneration Report.



## 2.2 Voting consequences

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution to approve calling an extraordinary general meeting at which all of the Company's Directors who were directors when the resolution to make the directors report considered at the later annual general meeting was passed (other than the Managing Director) must go up for re-election (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene an extraordinary general meeting (**Spill Meeting**) within 90 days of the Company's second annual general meeting. All of the directors of the company who were directors of the Company when the resolution to make the directors' report considered at the second annual general meeting was passed, 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.

## 2.3 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

Voting on Resolution 1 may be determined by a poll at the Meeting rather than a show of hands.

## 2.4 Board Recommendation

The Board recommends that Shareholders approve Resolution 1.

## 3. RESOLUTION 2: Re-election of Mr Elliot Nicholls as a Director

### 3.1 Background

The Company's Constitution requires that one-third of the Directors retire by rotation at each Annual General Meeting and that Directors appointed by the Board hold office until the next annual general meeting.

Mr Nicholls was first appointed as a Director on 7th January 2009 and is a Director of the Company. In accordance with Clause 11.3 of the Company's constitution Mr Nicholls offers himself for re-election.

Further information on Mr Elliot Nicholls can be found in the Directors' Report contained within the Annual Report.

### 3.2 Board Recommendation

The Board, other than Mr Elliot Nicholls, unanimously recommends that Shareholders vote in favour of Resolution 2.

## 4. RESOLUTION 3: Approval of new Employee Securities Incentive Plan

### 4.1 Background

The Company's long term incentive plan called the Strategic Elements Performance Rights Plan was approved by Shareholders on 27 September 2019. Approval is valid for 3 years. As such, approval of the plan expired on 27 September 2022. No Performance Rights have been issued under the plan since the expiry date.

On 1 October 2022, amendments to the Corporations Act commenced which impact the regulatory

regime for employee share schemes (**ESS**). Division 1A was introduced into Part 7.12 of the Corporations Act, providing a separate regime for the making of offers in connection with an ESS (**New Regime**). The New Regime provides relief from disclosure and certain other regulatory requirements of the Corporations Act.

The Company's new Employee Securities Incentive Plan has been updated to meet the requirements of the new ESS regime. Resolution 3 seeks Shareholder approval for the adoption of the employee incentive scheme titled 'Strategic Elements Ltd Employee Securities Incentive Plan' (**Plan**).

The Plan provides ESS Participants with an opportunity to participate in the Company's future growth and gives them an incentive to contribute to that growth.

The Plan works by establishing a specific growth-related performance hurdle. In the case of the Performance Rights proposed to be issued under Resolutions 5, 6 and 7, if the relevant performance hurdle is met, Performance Rights will vest to the participant. Performance Rights, when vested, allow the holder to be issued fully paid ordinary shares in the Company for no additional consideration. Any Performance Rights offered to directors under the Plan may only be made with prior shareholder approval under Listing Rule 10.14. The Plan for which approval is sought pursuant to Listing Rule 7.2 (exception 13(b)) under Resolution 3 is summarised in **Schedule 1** and should be considered in addition to the Explanatory Notes for this resolution.

#### 4.2 Listing Rules

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

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

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

#### Information required by Listing Rule 14.1A

If Resolution 3 is passed, the Company will be able to issue up to a maximum of 22,346,671 Equity Securities for consideration under the Plan pursuant to Listing Rule 7.2 (Exception 13(b)), to eligible participants over a period of 3 years without using the Company's annual 15% placement capacity under Listing Rule 7.1.

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

If Resolution 3 is not passed, the Company will not be able to rely on Listing Rule 7.2 (exception 13(b)). Instead any issues will be made with either Shareholder approval under Listing Rule 7.1 (and 7.1A if applicable), or in reliance on the Company's available placement capacity under either or both Listing Rules 7.1 and 7.1A as applicable. In the latter case, and 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 and 7.1A as applicable for the 12 months following the issue of such Equity Securities.

**Information required by Listing Rule 7.2 Exception 13(b)**

The following information is provided to Shareholders for the purpose of Listing Rule 7.2 Exception 13(b):

- (a) since the plan was last approved by Shareholders on 27 September 2019, a total of 8.5 million Performance Rights have been issued under the exception in listing rule 7.2. Of those Performance Rights, 8.5 million were converted to Shares;
- (b) a summary of the terms of the Plan is set out in Schedule 1;
- (c) based on the number of Shares on issue as at the date of this Notice, being 446,933,437 Shares, the maximum number of Securities proposed to be issued under the Plan, following Shareholder approval is 22,346,671 Equity Securities, being 5% of the share capital of the Company over the 3 years the Plan is approved for. It is not envisaged that the maximum number of Securities for which approval is sought will be issued immediately.
- (d) a voting exclusion statement for Resolution 3 is included in the Notice.

**4.3 Board Recommendation**

The Board recommends that Shareholders approve Resolution 3.

**5. RESOLUTION 4: Approval of Termination Benefits under Employee Securities Incentive Plan****5.1 Introduction**

Resolution 4 seeks Shareholder approval in accordance with Part 2D.2 Division 2 of the Corporations Act (including sections 200B and 200E of the Corporations Act) and Listing Rule 10.19 for the Company to give certain termination benefits to Relevant Personnel in connection with that person ceasing to be an officer of, or ceasing to hold a managerial or executive office in the Company or a related body corporate. 'Relevant Personnel' include both current and future personnel who hold or have held during the three years prior to cessation of their employment or engagement a managerial or executive office in the Company or a related body corporate of the Company. Relevant Personnel also includes Key Management Personnel from time to time.

**5.2 Part 2D.2 of the Corporations Act and Listing Rule 10.19**

The Corporations Act restricts the benefits which can be given to individuals who hold a managerial or executive office (as defined in the Corporations Act) in connection with the retirement from their position in the Company or its related bodies corporate.

In accordance with section 200B of the Corporations Act, to give a benefit in connection with a relevant person's retirement from an office, the Company must, subject to various exceptions, obtain the approval of Shareholders in the manner set out in section 200E of the Corporations Act.

A benefit includes (among other things) automatic, or accelerated, vesting of share-based payments for a person or the exercise of discretion to allow a person to maintain a benefit they would not otherwise be entitled to retain, on, or as a result of, retirement from their position in the company. A benefit also includes the exercise of a Board discretion to accelerate vesting of share-based payments. Such share-based payments include (without limitation), Shares, Options and Performance Rights which may be issued under the Plan to be approved under Resolution 4 (being a **Grant**).

Listing Rule 10.19 provides that without approval of shareholders, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules.

For the purpose of the Listing Rules, termination benefits include payments, property and advantages that are receivable on termination of employment, engagement or office, except those from any superannuation or provident fund and those required by law to be made.

Depending upon the value of the Potential Termination Benefits (as detailed below), and the equity interests of the Company at the time such benefits may crystallise, it is uncertain if the value of the termination benefits the subject of Resolution 4 would exceed this 5% threshold. Shareholder approval is being sought under Listing Rule 10.19 in order to give the Company flexibility, in case the value of the Potential Termination Benefits exceeds this 5% threshold.

### 5.3 Benefits

The benefits for which approval is being sought under Resolution 4 are benefits that may result from automatic or accelerated vesting on new Grants to be issued under the Plan or from the Board exercising discretions conferred under the Plan (**Potential Termination Benefits**).

In particular in relation to those discretions, the Board will have the discretion to determine that, where a participant ceases to be Relevant Personnel before:

- (a) the satisfaction of any condition attaching to a Grant; or
- (b) the vesting of a Grant,

some or all Grants will not lapse or be forfeited (if they would otherwise lapse or be forfeited) or will vest or that some or all of the vesting conditions and/or the exercise conditions will be waived, or will be exercised or converted into Shares which are issued or transferred to Relevant Personnel or their nominees for some or all of the Grants. These benefits may also be given as automatic events without the need for exercise of Board discretions.

In addition, the Plan provides for the Board to have discretion to determine that Grants will also not be forfeited after the events in items (a) and/or (b) are fulfilled where a participant ceases to be Relevant Personnel.

Refer to the Plan summary in Schedule 1 for further information in relation to these Potential Termination Benefits.

Accordingly, for the purposes of section Part 2D.2 of the Corporations Act (including sections 200B and 200E of the Corporations Act) and Listing Rule 10.19, Resolution 4 seeks Shareholder approval for all Potential Termination Benefits.

If Shareholders approve Resolution 4, it will be effective until the conclusion of the third annual general meeting of the Company after the date on which Resolution 4, is passed. This means that the approval will be effective (including in relation to pre-existing Grants and all future Grants):

- (a) if any benefit is given or any discretion to give any benefit is exercised (including a Board discretion); and/or
- (b) if any Relevant Personnel ceases to hold the position of Relevant Personnel,

during the period expiring at the conclusion of the third annual general meeting of the Company following this Meeting. If considered appropriate, the Board will seek a new approval from Shareholders at the Company's annual general meeting in 2026.

### 5.4 The amount or value of the potential termination benefits

The amount or value of the Potential Termination Benefits that may be provided to Relevant Personnel in accordance with Resolution 4 cannot be ascertained in advance. However, the manner in which the amount or value of the Potential Termination Benefits will be calculated, and the matters, events

and circumstances that will, or are likely to affect the calculation of that amount or value include:

- (a) the number of Grants held prior to the Relevant Personnel ceasing employment or engagement with the Company or its related bodies corporate, the conditions (if any) of vesting and exercise of the Grants and the number that the Board determines to (or which automatically) vest, lapse or leave on foot;
- (b) the Relevant Personnel's entitlement to Grants at the time of cessation of employment or engagement and the conditions of such entitlement;
- (c) the circumstances of, or reasons for the Relevant Personnel, ceasing employment or engagement with the Company or its related bodies corporate and the extent to which they served the applicable notice period;
- (d) the length of service with the Company or its related bodies corporate and performance over that period of time;
- (e) (any applicable performance measures and the achievement of such measures (and the personal performance and contributions of the Relevant Personnel));
- (f) the portion of any relevant performance periods for Grants that have expired at the time they cease employment or engagement;
- (g) the length of any restriction period during which Shares issued, or to be issued, following vesting of Grants may not be transferred, and any waiver of such restriction period;
- (h) any other factors that the Board determines to be relevant when exercising its discretion to provide Potential Termination Benefits;
- (i) the manner in which the Board exercises its discretions;
- (j) the market price of the Company's Shares on ASX at the relevant time when the amount or value of any Grant is determined, and the terms of those Grants (including performance conditions);
- (k) the exercise price of any relevant Grants which are Options; and
- (l) any changes in law between the date the Company or any of its related bodies corporate enter or entered into an agreement with Relevant Personnel and the date they cease appointment as Relevant Personnel.

#### **5.5 Listing Rule 14.1A**

If Resolution 4 is approved at the Meeting, it will give the Company maximum flexibility to provide the Potential Termination Benefits detailed in this Notice to Relevant Personnel who cease to be appointed as Relevant Personnel.

If Resolution 4 is not approved at the Meeting, the Potential Termination Benefits detailed in this Notice will not be paid to Relevant Personnel who cease to be appointed as Relevant Personnel.

#### **5.6 Other information**

The Board declines to make a voting recommendation given the personal interests of the Directors the subject of Resolution 4.

The Chair intends to exercise all available proxies in favour of Resolution 4.

A voting exclusion statement and voting prohibition statement is included for Resolution 4 of the Notice.

## 6. RESOLUTIONS 5, 6 & 7: Grant of Performance Rights to Mr Charles Murphy, Mr Matthew Howard and Mr Elliot Nicholls

### 6.1 Introduction

Resolutions 5, 6 and 7 seek shareholder approval to issue Performance Rights under the Plan to Mr Charles Murphy, Mr Matthew Howard and Mr Elliot Nicholls.

Resolution 5 seeks the approval of Shareholders to issue 2,000,000 Performance Rights to Mr Charles Murphy.

Resolution 6 seeks the approval of Shareholders to issue 2,000,000 Performance Rights to Mr Matthew Howard.

Resolution 7 seeks the approval of Shareholders to issue and 2,000,000 Performance Rights to Mr Elliot Nicholls.

The performance period is two years from the date of Shareholder approval (**Performance Period**). The Performance Rights will vest on the achievement of specific performance hurdle linked to a technical achievement.

### 6.2 Requirement for Shareholder approval

Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a Director of the entity, an associate of the Director, or a person whose relationship with the entity, Director or associate of the director is, in ASX's opinion, such that approval should be obtained.

In accordance with Listing Rule 10.14, the Company is seeking shareholder approval for the grant of 2,000,000 Performance Rights each to Mr Charles Murphy, Mr Matthew Howard and Mr Elliot Nicholls under the Plan.

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Performance Rights as approval is being obtained under Listing Rule 10.14. The issue of Performance Rights to the Related Parties will not be included in the 15% calculation for the purposes of Listing Rule 7.1.

### 6.3 Vesting Conditions of the Performance Rights

The Board has determined that under the Plan the Performance Rights will vest subject to achievement of the specific performance hurdle and the terms and conditions of the Plan. The two year Performance Period commences from the date of shareholder approval of Resolutions 5, 6 and 7 respectively.

The performance hurdle is as follows:

Performance Hurdle	Performance Rights	Recipients
Develop a prototype Energy Ink device that uses moisture and generates at least 1kw of power.	6,000,000	Mr Murphy, Mr Howard, Mr Nicholls

If the relevant performance conditions are satisfied, the vesting of Performance Rights will occur subject to the terms and conditions of the Plan. The Performance Rights lapse if and to the extent that the performance conditions are not met. There is no re-testing.

Each Performance Right, once vested, entitles the holder to be issued one fully paid ordinary share in the capital of the Company. Performance Rights may be issued directly or as a Performance Unit (referrable to a Performance Right) allocated by a trustee appointed by the Company and upon such additional terms as the Board determines.

#### 6.4 Disclosures required pursuant to Listing Rule 10.15

The following information is provided to Shareholders for the purpose of Listing Rule 10.15.

- (a) Performance Rights are proposed to be issued under the Plan to Mr Charles Murphy, Mr Matthew Howard and Mr Elliot Nicholls. Each recipient falls within Listing Rule 10.14.1 by virtue of being a Director.
- (b) The maximum number of Performance Rights to be granted to Mr Charles Murphy (or his nominee), Mr Matthew Howard (or his nominee) and Mr Elliot Nicholls (or his nominee) is 2,000,000 Performance Rights each.
- (c) Details (including the amount) of each Director's current total remuneration package as at the date of this Notice is set out in the table below:

Director	Current Total Remuneration Package	Component
Charles Murphy	\$282,000	Fees
	\$77,600 <sup>1</sup> (subject to achievement of hurdle)	2,000,000 Performance Rights
Matthew Howard	\$212,000	Fees
	\$77,600 <sup>2</sup> (subject to achievement of hurdle)	2,000,000 Performance Rights
Elliot Nicholls	\$212,000	Fees
	\$77,600 <sup>3</sup> (subject to achievement of hurdle)	2,000,000 Performance Rights

<sup>1,2,3</sup>: See paragraph (g) below for the value the Company attributes to the Performance Rights and its basis.

- (d) Since the Plan was last approved on 27 September 2019 by Shareholders, Mr Charles Murphy and Mr Matthew Howard each received a total of 3,500,000 Performance Rights for nil consideration whilst Mr Elliot Nicholls received a total of 1,500,000 Performance Rights for nil consideration. All issued Performance Rights were converted to Shares.
- (e) (A summary of the material terms of the Performance Rights is provided in **Schedule 2**.)
- (f) Performance Rights are being issued to:
  - assist in the reward, retention and motivation of Directors;
  - link the reward of Directors to shareholder value creation; and
  - align the interests of Directors with shareholders of the Company by providing an opportunity to Directors, to receive an equity interest in the Company in the form of securities.
- (g) The Company attributes a value of \$77,600 for each director for the Performance Rights on the basis set out in **Schedule 3**.
- (h) The Performance Rights will be issued to Mr Charles Murphy, Mr Matthew Howard and Mr Elliot Nicholls (or their nominee) no later than 3 years after the date of the Meeting.
- (i) (The Performance Rights are being issued for nil cash consideration under the terms of the Plan as a performance incentive.)
- (j) A summary of the material terms of the scheme is provided in **Schedule 1**.
- (k) No loan will be made to Mr Charles Murphy, Mr Matthew Howard or Mr Elliot Nicholls in relation to the acquisition of Performance Rights under Resolutions 5 6 and 7.
- (l) Details of any securities issued under the Plan will be published in each annual report of the Company relating to a period in which they were issued, with a statement that approval for the issue



was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after Resolutions 5, 6 and 7 are approved and who were not named in the Notice will not participate until approval is obtained under that rule.

(m) A voting exclusion statement is included in the Notice.

### **6.5 Information required by Listing Rule 14.1A**

If Resolution 5 is passed, the Company will be able to issue 2,000,000 Performance Rights under the Plan to Mr Murphy (or his nominee).

If Resolution 6 is passed, the Company will be able to issue 2,000,000 Performance Rights under the Plan to Mr Howard (or his nominee).

If Resolution 7 is passed, the Company will be able to issue 2,000,000 Performance Rights under the Plan to Mr Nicolls (or his nominee).

As shareholder approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Rights (because shareholder approval is being obtained under Listing Rule 10.14), the issue of Performance Rights subject to Resolutions 5, 6 and 7 (if approved) will not use up any of the Company's 15% placement capacity.

If Resolution 5 is not approved, the Company will not be able to proceed with the issue to Mr Murphy and the Company may consider alternative forms of remuneration for Mr Murphy, such as cash.

If Resolution 6 is not approved, the Company will not be able to proceed with the issue to Mr Howard and the Company may consider alternative forms of remuneration for Mr Howard, such as cash.

If Resolution 7 is not approved, the Company will not be able to proceed with the issue to Mr Nicolls and the Company may consider alternative forms of remuneration for Mr Nicolls, such as cash.

### **Corporations Act**

Section 208 of Chapter 2E of the Corporations Act provides that for a public company to give a financial benefit to a related party of the public company, the public company must:

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within fifteen 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 Directors, (other than the Director the subject of the relevant Resolution) are of the view that the proposed issue of Performance Rights under the Plan pursuant to Resolutions 5, 6 and 7 fall within the "reasonable remuneration" exception under section 211 of the Corporations Act given the circumstances of the Company and the positions held by the relevant director.

Accordingly, the Directors (other than the Director the subject of the relevant resolution) have determined not to seek Shareholder approval for the purposes of section 208 of the Corporations Act for the issue of Performance Rights under Resolutions 5, 6 and 7.

### **6.6 Section 195(4) of the Corporations Act**

Section 195 of the Corporations Act provides that a Director of a public company may not vote or be present during meetings of Directors when matters in which that Director holds a "material personal interest" are being considered, except in certain limited circumstances. Section 195(4) relevantly provides that if there are not enough Directors to form a quorum for a Directors meeting because of this restriction,

one or more of the Directors may call a general meeting and the general meeting may pass a resolution to deal with the matter.

It might be argued (but it is neither conceded nor, indeed, is it thought by the Board to be the case) that the Directors comprising the Board have a material personal interest in the outcome of Resolutions 5, 6 and 7. If each does have such an interest, then a quorum could not be formed to consider the matters contemplated by Resolutions 5, 6 and 7 at Board level.

For the avoidance of any doubt, the Company also seeks Shareholder approval for resolutions 5, 6 and 7 for the purposes of section 195(4) of the Corporations Act in respect of reliance on the reasonable remuneration exception and the decision not to seek Shareholder approval under Chapter 2E of the Corporations Act.

### 6.7 Directors' recommendation

The Directors decline to make a voting recommendation to Shareholders in respect of Resolutions 5, 6, and 7.

## GLOSSARY

### In the Notice and Explanatory Notes:

<b>Accounting Standards</b>	has the meaning given to that term in the Corporations Act.
<b>ASX</b>	means ASX Limited or the Australian Securities Exchange operated by ASX Limited, as the context requires.
<b>Annual Report</b>	the annual report of the Company for the year ended 30 June 2023.
<b>Auditor</b>	means Nexia Perth Audit Services Pty Ltd.
<b>Board</b>	means the board of Directors.
<b>Chair</b>	means the chair of the Meeting.
<b>Closely Related Party</b>	has the meaning given to that term in the Corporations Act.
<b>Company</b>	means Strategic Elements Limited (ACN 122 437 503).
<b>Constitution</b>	means the constitution of the Company.
<b>Corporations Act</b>	means the Corporations Act 2001 (Cth) as amended.
<b>Director</b>	means a director of the Company.
<b>Equity Securities</b>	has the meaning given to that term in the Listing Rules.
<b>Explanatory Notes</b>	means the explanatory notes accompanying the Notice.
<b>Investee</b>	means any Australian company which the Company holds an investment in.

## GLOSSARY

In the Notice and Explanatory Notes:

<b>Listing Rules</b>	means the listing rules of the ASX.
<b>Meeting or Annual General Meeting</b>	means the meeting convened by the Notice.
<b>Notice</b>	means this notice of annual general meeting.
<b>Plan</b>	has the meaning given in section 5.1 of the Explanatory Notes
<b>Proxy Form</b>	means the proxy form attached to this Notice.
<b>Remuneration Report</b>	The remuneration report set out in the Directors' Report section of the Company's annual financial report for the year ended 30 June 2023.
<b>Resolution</b>	means a resolution to be considered at the Meeting as contained in the Notice.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means a holder of a Share.

## SCHEDULE 1

### Summary of key terms of Plan

Set out below is a summary of the key terms of the Plan. The full terms of the Plan may be inspected at the registered office of the Company during normal business hours. It is intended that both the Executive and Non-Executive Directors will participate in the Plan.

1. **Eligible Participant** means a person that has been determined by the Board to be eligible to participate in the Plan from time to time and is an "ESS participant" (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an associated entity of the Company. This relevantly includes, amongst others:
  - (n) an employee or director of the Company or an individual who provides services to the Company;
  - (o) an employee or director of an associated entity of the Company or an individual who provides services to such an associated entity, where that associated entity is a body corporate);
  - (p) a prospective person to whom paragraphs (i) or (ii) apply;
  - (q) a person prescribed by the relevant regulations for such purposes; or
  - (r) certain related persons on behalf of the participants described in paragraphs (i) to (iv) (inclusive).
2. **Prior Shareholder approval for issues to Directors:** The Company will require prior Shareholder approval for the issue of Securities under the Plan to Directors, their associates, and any other person whose relationship with the Company or a Director or a Director's associate is such that, in ASX's opinion, the acquisition should be approved by Shareholders. The issue of Securities with Shareholder approval will not count towards the ASX Limit.
3. **Purpose:** The purpose of the Plan is to:
  - (a) assist in the reward, retention and motivation of Eligible Participants;
  - (b) link the reward of Eligible Participants to Shareholder value creation; and
  - (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
4. **Plan administration:** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion, subject to compliance with applicable laws and the Listing Rules. The Board may delegate its powers and discretion.
5. **Eligibility, invitation and application:** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides. An invitation issued under the Plan will comply with the disclosure obligations pursuant to Division 1A. On receipt of an invitation, an Eligible Participant may apply for the Securities 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 whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation. A waiting period of at least 14 days will apply to acquisitions of Securities for monetary consideration as required by the provisions of Division 1A.

6. **Grant of Securities:** The Company will, to the extent that it has accepted a duly completed application, grant the successful Eligible Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
7. **Maximum allocation:** The Company must not make an offer of Securities under the Plan in respect of which monetary consideration is payable (either upfront, or on exercise of convertible securities) where the total number of Plan Shares that may be issued, or acquired upon exercise of Plan Convertible Securities offered, when aggregated with the number of Shares issued or that may be issued as a result of offers made under the Plan at any time during the previous 3 year period would exceed 5% of the total number of Shares on issue at the date of the offer or such other limit as may be specified by the relevant regulations or the Company's Constitution from time to time.
8. **Terms of Convertible Securities:** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.
9. **Vesting of Convertible Securities:** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.
10. **Exercise of Convertible Securities and cashless exercise:** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation. At the time of exercise of the Convertible Securities, and subject to Board approval, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities. Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation. A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.
11. **Delivery of Shares on exercise of Convertible Securities:** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

12. **Forfeiture of Convertible Securities:** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
13. **Uncontrollable event:** In the event of an uncontrollable event (such as death, serious injury, disability or illness, which renders the Participant incapable of continuing their employment with the Company, redundancy, removal of a Board member or other defined events), any unvested Convertible Securities will vest. The Participant may, at any time prior to the first to occur of the Expiry Date and 3 months (or such other period as the Board shall, in its absolute discretion, determine) from the date on which the Participant ceased that employment, exercise all vested Convertible Securities in accordance with the Plan rules. Unless as otherwise set out in the Plan rules, any Convertible Securities not so exercised will lapse and be forfeited.
14. **Change of control:** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
15. **Rights attaching to Plan Shares:** All Shares issued under the Plan or issued or transferred to an ESS Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank *pari passu* in all respects with the Shares of the same class. An ESS Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. An ESS Participant may exercise any voting rights attaching to Plan Shares.
16. **Disposal restrictions on Securities:** If the invitation provides that any Plan Shares or Convertible Securities are subject to any restrictions as to the disposal or other dealing by an ESS Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.
17. **Adjustment of Convertible Securities for capital events:** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), a rights issue, or any other such event the Board considers significant to the operation of the Plan, the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation. If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible

Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

18. **Other capital events:** If the Company announces a priority issue in relation to an initial public offering of an Investee or an in-specie distribution of shares of an Investee, all unvested Convertible Securities will automatically vest and any Shares issued as a result must be issued 3 days prior to any relevant Record Date.
19. **Participation in new issues:** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
20. **Amendment of Plan:**
- (a) Subject to subparagraph 20(b), the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.
  - (b) No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.



## SCHEDULE 2: Terms and Conditions Performance Rights

1. **Entitlement:** Subject to the terms and conditions set out below, each Performance Right, once vested, entitles the holder to the issue of one fully paid ordinary share in the capital of the Company (**Share**).
2. **Issue Price:** The Performance Rights are issued for nil cash consideration.
3. **Vesting Conditions:** Subject to the terms and conditions set out below, the Performance Rights will have the vesting conditions (Vesting Condition) specified below:
  - (a) Develop a prototype Energy Ink device that uses moisture and generates at least 1kw of power.
4. **Vesting:** Subject to the satisfaction of the Vesting Condition, the Company will notify the Holder in writing (**Vesting Notice**) within 3 Business Days of becoming aware that the relevant Vesting Condition has been satisfied.
5. **Expiry Date:** The Performance Rights will expire and lapse on the first to occur of the following:
  - (a) the Vesting Condition becoming incapable of satisfaction due to the cessation of employment of the holder with the Company (or any of its subsidiary entities) (subject to the exercise of the Board's discretion under the Plan); and
  - (b) 5pm on the date which is 3 years after the date of issue of the Performance Rights, (**Expiry Date**).
6. **Exercise:** At any time between receipt of a Vesting Notice and the Expiry Date (as defined in clause 5 above), the holder may apply to exercise Performance Rights by delivering a signed notice of exercise to the Company Secretary. The holder is not required to pay a fee to exercise the Performance Rights.
7. **Issue of Shares:** As soon as practicable after the valid exercise of a vested Performance Right, the Company will:
  - (a) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled;
  - (b) issue a substitute Certificate for any remaining unexercised Performance Rights held by the holder;
  - (c) if required, and subject to clause 8, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
  - (d) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules.
8. **Restrictions on transfer of Shares:** If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of the Performance Rights may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act. The Company is authorised by the holder to apply a holding lock on the relevant Shares during the period of such restriction from trading.
9. **Ranking:** All Shares issued upon the conversion of Performance Rights will upon issue rank equally in all respects with other Shares.

10. **Transferability of the Performance Rights:** The Performance Rights are not transferable, except with the prior written approval of the Company at its sole discretion and subject to compliance with the Corporations Act and Listing Rules.
11. **Dividend rights:** A Performance Right does not entitle the holder to any dividends.
12. **Voting rights:** A Performance Right does not entitle the holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.
13. **Quotation of the Performance Rights:** The Company will not apply for quotation of the Performance Rights on any securities exchange.
14. **Adjustments for reorganisation:** If there is any reorganisation of the issued share capital of the Company, the rights of the Performance Rights holder will be varied in accordance with the Listing Rules.
15. **Entitlements and bonus issues:** Subject to the rights under clause 16, holders will not be entitled to participate in new issues of capital offered to shareholders such as bonus issues and entitlement issues.
16. **Bonus issues:** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the number of Shares which must be issued on the exercise of a vested Performance Right will be increased by the number of Shares which the holder would have received if the holder had exercised the Performance Right before the record date for the bonus issue.
17. **Return of capital rights:** The Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
18. **Rights on winding up:** The Performance Rights have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company
19. **Takeovers prohibition:**
- (a) the issue of Shares on exercise of the Performance Rights is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act; and
  - (b) the Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Shares on exercise of the Performance Rights.
20. **No other rights:** A Performance Right does not give a holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
21. **Amendments required by ASX:** The terms of the Performance Rights may be amended as considered necessary by the Board in order to comply with the Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the holder are not diminished or terminated.

22. **Plan:** The Performance Rights are issued pursuant to and are subject to the Plan. In the event of conflict between a provision of these terms and conditions and the Plan, these terms and conditions prevail to the extent of that conflict.
23. **Constitution:** Upon the issue of the Shares on exercise of the Performance Rights, the holder will be bound by the Company's Constitution.

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### SCHEDULE 3

Value attributed by Company to Performance Rights and basis

The Company obtained an independent valuation of the proposed issue of Performance Rights in resolutions 4, 5 and 6. The Company has proposed the below performance hurdle:

- Develop a prototype Energy Ink device that uses moisture and generates at least 1kw of power.

If the above hurdle is met, the Performance Rights will vest to directors as described in the Explanatory Notes.

For the purposes of valuing the Performance Rights, the Company has used a binomial model.

The maximum value attributed to each director for the Performance Rights is \$77,600 over the two years and subject to the hurdle being met.

#### Vesting conditions

The issue of performance rights is dependent upon development of a prototype energy ink device that uses moisture and generates at least 1kw of power and the Directors remaining in continuous employment with the Company over the 2 year period.

The assumptions made in the PRs valuation were:

	Series No.1
Dividend yield (%)	n/a
Expected volatility (%)	76.78
Risk-free interest rate (%)	3.98
Expected life of rights (years)	2.0
Grant date share price (cents)	9.70

The value of the options was calculated using the Cox, Ross and Rubinstein binomial tree method.

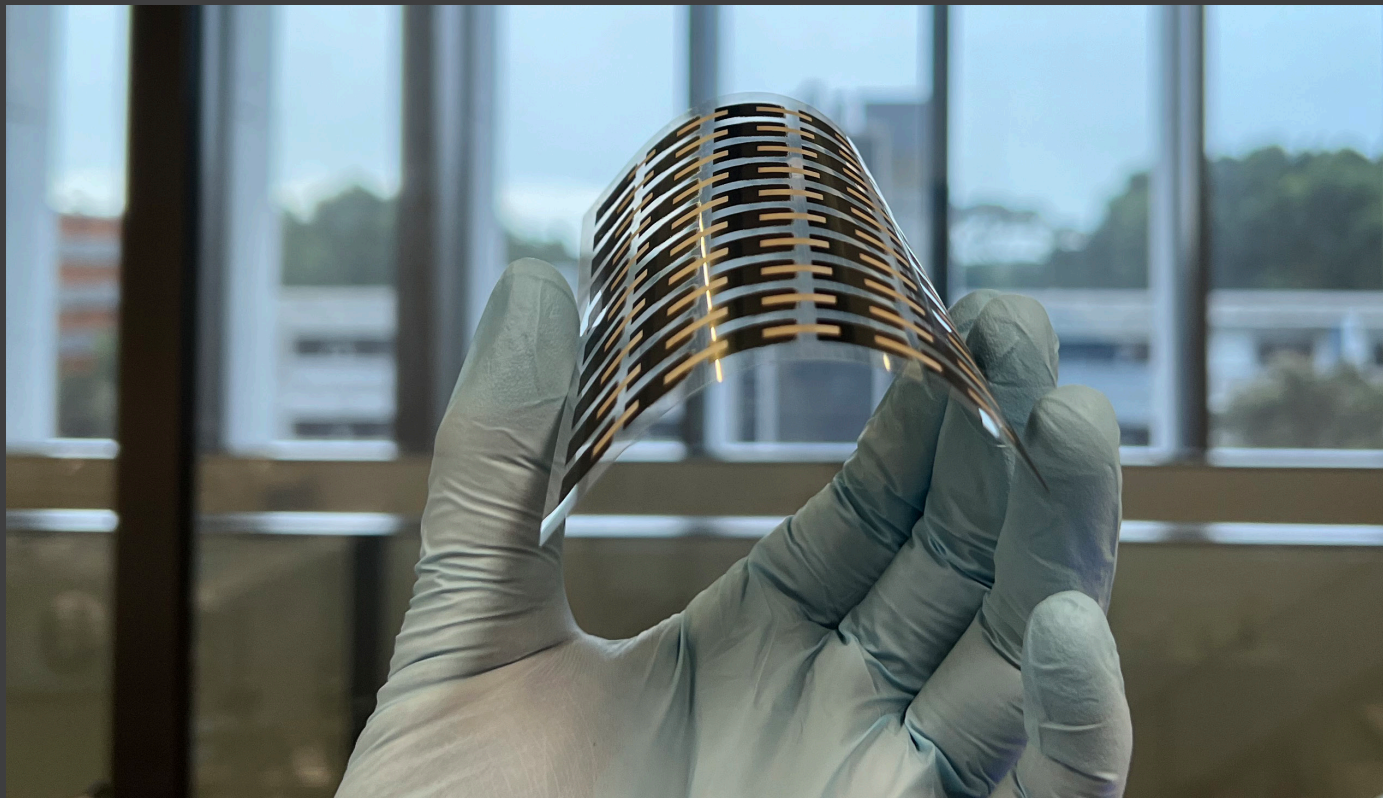
The expected life of the Performance Rights is based on time to expiry and is not necessarily indicative of exercise patterns that may occur. No other features of options granted were incorporated into the measurement of fair value.



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**STRATEGIC**  
ELEMENTS



Your proxy voting instruction must be received by **03.00pm (AWST) on Sunday, 26 November 2023**, 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:

#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

#### BY FACSIMILE:

+61 2 8583 3040

#### All enquiries to Automic:

#### WEBSITE:

<https://automicgroup.com.au/>

#### PHONE:

1300 288 664 (Within Australia)

+61 2 9698 5414 (Overseas)

## STEP 1 - How to vote

**APPOINT A PROXY:**

I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of STRATEGIC ELEMENTS LIMITED, to be held at **03.00pm (AWST) on Tuesday, 28 November 2023 at Trinity on Hampden Conference Centre, 230 Hampden Rd, Crawley WA 6009** hereby:

**Appoint the Chair of the Meeting (Chair)** OR if you are not appointing the Chair of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair’s nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

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**The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.**  
 Unless indicated otherwise by ticking the “for,” against” or “abstain” box you will be authorising the Chair to vote in accordance with the Chair’s voting intention.

**AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS**

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 3, 4, 5, 6 and 7 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 3, 4, 5, 6 and 7 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

## STEP 2 - Your voting direction

Resolutions	For	Against	Abstain
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Elliot Nicholls as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of new Employee Securities Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of Termination Benefits under the Employee Securities Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Grant of Performance Rights to Mr Charles Murphy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Grant of Performance Rights to Mr Matthew Howard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Grant of Performance Rights to Mr Elliot Nicholls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.*

## STEP 3 – Signatures and contact details

Individual or Securityholder 1	Securityholder 2	Securityholder 3					
Sole Director and Sole Company Secretary	Director	Director / Company Secretary					
Contact Name:							
Email Address:							
Contact Daytime Telephone	Date (DD/MM/YY)						
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; border: 1px solid black; padding: 5px;"> </td> <td style="width: 3%; border: none;">/</td> <td style="width: 33%; border: 1px solid black; padding: 5px;"> </td> <td style="width: 3%; border: none;">/</td> <td style="width: 33%; border: 1px solid black; padding: 5px;"> </td> </tr> </table>			/		/	
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**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).**