

For personal use only

NOTICE OF ANNUAL GENERAL MEETING 2024

10:00am (AEST) on Thursday, 14 November 2024
Brisbane, Queensland



COSOL LIMITED

ACN 635 371 363

NOTICE OF ANNUAL GENERAL MEETING & EXPLANATORY STATEMENT

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

TIME: 10:00am (AEST)

DATE: Thursday 14 November 2024

PLACE: Queen Adelaide Room at the Brisbane Marriott Hotel, 515 Queen Street, Brisbane QLD 4000

This is an important document and should be read carefully and in its entirety. Please consult your professional advisor if you have queries about the matters addressed in this document.

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

INTRODUCTION

Notice is given that the Annual General Meeting of Shareholders of the Company will be held in the Queen Adelaide Room at the Brisbane Marriott Hotel, 515 Queen Street, Brisbane QLD 4000 on Thursday, 14 November 2024 commencing at 10:00am (AEST).

Copies of the presentation to be made that the Annual General Meeting will be released to the ASX on the morning of the Annual General Meeting.

Attached to, and forming part of, this Notice is an Explanatory Statement which provides Shareholders with additional information on, and reasons for, the matters and resolutions to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting. The information contained in this Notice is presented in accordance with the regulatory requirements of the Corporations Act and the Listing Rules, as applicable.

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

AGENDA

Financial Report (no resolution required)

To receive the Financial Report of the Company for the year ended 30 June 2024 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

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

Resolution 1 - Adoption of Remuneration Report

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

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report appearing in the Company's Annual Report for the year ended 30 June 2024."

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

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

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

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

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

Resolution 2 - Re-election of Director - Gerald Strautins

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

"That, Gerald Strautins, a Director who retires by rotation in accordance with rule 6.3 of the Constitution and, being eligible and offering himself for re-election as a Director, is so re-elected."

Resolution 2 is an ordinary resolution and therefore requires a simple majority of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Resolution 3 - Re-election of Director - Grant Pestell

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

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

Resolution 3 is an ordinary resolution and therefore requires a simple majority of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

AGENDA CONTINUED

Resolution 4 - Approval of Additional 10% Placement Capacity

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

"That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."

Resolution 4 is a special resolution and therefore requires approval of at least 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

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

- a. A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- 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 proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- b. The Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- c. A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - The holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in a proposed issue of Equity Securities under the proposed 10% Placement Facility. No existing Shareholders' votes will therefore be excluded under the voting exclusion in the Notice.

Resolution 5 - Ratification of Prior Issue of Core Asset shares

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

"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the prior issue of 2,538,844 Shares to the Vendor issued on 3 May 2024 on the terms and conditions set out in the Explanatory Statement."

Resolution 5 is an ordinary resolution and therefore requires a simple majority of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

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

- a. Spiral X Pty Ltd; or
- b. An associate of Spiral X Pty Ltd,

And any other person who participated in the issue or is a counterparty to the agreement being approved, or an associate of that person or counterparty.

AGENDA CONTINUED

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

- a. A person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- b. The Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- c. A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - The holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 6 - Financial Assistance by Core Asset Co Pty Ltd, a Subsidiary of the Company

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

"That, for the purposes of section 260B(2) of the Corporations Act, Shareholders approve the giving of financial assistance by Core Asset Co Pty Ltd, a wholly owned subsidiary of the Company, in connection with the acquisition of all of the shares in Core Asset Co Pty Ltd by the Company and the terms and conditions of the Company's loan facility arrangements with Westpac Banking Group, in the manner described in the Explanatory Statement."

Resolution 6 is a special resolution and therefore requires approval of at least 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Resolution 7 - Approval of Proportional Takeover Provisions

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

"That, with effect from the close of the Meeting, the Constitution be amended such that the proportional takeover provisions set out in Annexure B are inserted as Schedule 5 of the Constitution (a copy of which will be tabled at the Meeting)."

Resolution 7 is a special resolution and therefore requires approval of at least 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

NOTES

Determination of Shareholders' right to vote

The Company has determined that all persons or entities who are registered holders of Shares as at 4:00pm (AEST) on Tuesday, 12 November 2024 will be entitled to vote at the Meeting.

Attending the Meeting in person

Shareholders and proxyholders can attend and participate in the Meeting (including asking questions and casting votes during the Meeting) in person in the Queen Adelaide Room at the Brisbane Marriott Hotel, 515 Queen Street, Brisbane QLD 4000.

If you intend to attend the AGM in person, please RSVP by emailing meetings@cosol.global – RSVPs are appreciated but not essential.

Voting prior to the Meeting

Shareholders who are unable to attend the Meeting in person or online are encouraged to return a completed Proxy Form or lodge a proxy vote online at website prior to the Meeting.

Even if you intend to attend the Meeting in person, we encourage you to submit a proxy so that your vote will be counted if for any reason you are unable to attend.

VOTING BY PROXY

A Shareholder entitled to vote at the Meeting may appoint a proxy. A proxy need not be a Shareholder.

A Shareholder entitled to cast two or more votes may appoint 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.

Sections 250BB and 250BC of the Corporations Act apply to voting by proxy. The effect of these sections is that if proxies vote, they must cast all directed proxies as directed, and any directed proxies that are not voted will automatically default to the Chair, who must vote the proxies as directed.

If a Shareholder appoints the Chair as a proxy and does not direct the Chair how to vote, the Shareholder is authorising the Chair to cast the undirected vote on all proposed Resolutions. The Chair intends to vote all undirected proxies on, and in favour of, all Resolutions set out in this Notice.

Lodgement of proxy documents

The following addresses are specified for the purposes of receipt of completed Proxy Forms and any authorities under which Proxy Forms are signed (or certified copies of those authorities).

The proxy form that has been sent to Shareholders must be completed and received at the office of Link Market Services Limited, as detailed below, by 10:00 am (AEST) on Tuesday, 12 November 2024.

Please note: Link Group is now known as MUFG Pension & Market Services. Over the coming months, Link Market Services will progressively rebrand to its new name MUFG Corporate Markets, a division of MUFG Pension & Market Services.

By Facsimile (02) 9287 0309 (from Australia) or
+61 2 9287 0309 (from overseas)

By Post COSOL Limited
C/Link Market Services Limited
Locked Bag A14
SYDNEY SOUTH NSW 1235

NOTES CONTINUED

Online

A proxy can be appointed electronically by visiting <https://investorcentre.linkgroup.com> and following the instructions provided below:

1. Select 'Shareholders Login' and in the 'Single Holding Login' section enter COSOL Limited or the ASX code (COS) in the Issuer name field, your Holder Identification Number (HIN) or Security Reference Number (SRN) (which is shown on the front of your proxy form or on your holding statement), postcode, complete the security process, tick the terms and conditions agreement and click 'Login'. You can also login via your portfolio.
2. Select the 'Voting' tab and then follow the prompts. You can also ask questions using the 'Ask a question' link below the voting link once you select the 'Voting' tab.

Your proxy form will be deemed to have been signed if it is lodged in accordance with the instructions given on the website.

Intermediary Online subscribers (custodians) should visit <https://investorcentre.linkgroup.com> to submit your voting instructions.

To be effective, a Proxy Form, and any power of attorney under which the Proxy Form is signed (or a certified copy of the power of attorney), must be received by the Company including through the above channels at least 48 hours before the commencement of the Meeting – that is by no later than 10:00am (AEST) on Tuesday, 12 November 2024.

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

Bodies corporate

A body corporate may appoint an individual as its representative to exercise all or any of the powers the body may exercise (either as a Shareholder or as a proxy) at the Meeting in accordance with section 250D of the Corporations Act. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at the Meeting or in voting on a resolution. The form of appointment, including any authority under which it is signed, must be received by Computershare by no later than the commencement of the Meeting, unless it has previously been given to the Company.

Voting prohibitions by proxies - remuneration of Key Management Personnel

To the extent required by section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 1 if the person is either a member of the Company's KMP or a closely related party of such a member and the appointment does not specify the way the proxy is to vote on Resolution 1. However, the proxy may vote if the proxy is the Chair and the appointment expressly authorises the Chair of the meeting to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of a member of KMP.

If the Chair is appointed as a Shareholder's proxy and the Shareholder has not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form (including via an online facility), the Shareholder is taken to have given the Chair express authorisation to vote the proxy in accordance with the Chair's intention, even though Resolution 1 is connected directly or indirectly with the remuneration of a member of KMP.

All Resolutions by Poll

All voting on Resolutions will be conducted by way of a poll.

By order of the Board

Ben Secrett
Company Secretary
14 October 2024

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of shareholders of COSOL Limited (**Company**) in connection with the business to be conducted at the Annual General Meeting of the Company to be held in the Queen Adelaide Room at the Brisbane Marriott Hotel, 515 Queen Street, Brisbane QLD 4000 on Thursday, 14 November 2024 commencing at 10:00am (AEST).

If you intend to attend the AGM in person, please RSVP by emailing meetings@cosol.global - RSVPs are appreciated but not essential.

This Explanatory Statement should be read in conjunction with the accompanying Notice of Meeting. The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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

Financial Report (no resolution required)

The Corporations Act requires the Financial Report, Directors' Report and the Auditor's Report to be received and considered at the Annual General Meeting. A printed hard copy of the annual Financial Report which includes the Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2024, has been sent to all Shareholders who requested it. The Annual Report is also available on the Company's website at <https://cosol.global/investor-centre/results-reports/>.

Neither the Corporations Act nor the Constitution requires a vote of Shareholders on the reports or statements. However, at the Meeting, Shareholders will be given an opportunity to ask questions about, or make comments on, the management of the Company.

A reasonable opportunity will also be given to Shareholders at the Meeting to ask the Company's auditor (or their representative) questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements, and the independence of the auditor in relation to the conduct of the audit. The Company will also allow a reasonable opportunity for the Company's auditor (or their representative) to answer written questions submitted to the auditor regarding the content of the auditor's report or the conduct of the audit of the financial report, provided such questions are received by the Company by no later than 5:00pm (AEST) on Thursday, 7 November 2024.

Questions (other than those addressed to the auditor as discussed above) may also be submitted by Shareholders in advance of the Meeting by sending an email to the Company Secretary at meetings@cosol.global by no later than 5:00pm (AEST) on Thursday, 7 November 2024. It may not be possible to respond to all questions asked at the Meeting or submitted in advance of the Meeting, but the Company will do its best to address matters raised.

Please note that individual responses to submitted questions will not be sent to Shareholders.

Resolution 1 - Adoption of Remuneration Report

1.1 GENERAL

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

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management. The Remuneration Report is part of the Directors' Report contained in the Annual Financial Report.

The Chair of the Meeting will allow a reasonable opportunity for Shareholders to ask questions about or make comments on the Remuneration Report at the Meeting.

EXPLANATORY STATEMENT CONTINUED

1.2 VOTING CONSEQUENCES

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

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

All of the Directors who were in office when the Directors' Report (as included in the Annual Financial Report for the most recent financial year) was approved, other than the Managing Director, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors.

1.3 PREVIOUS VOTING RESULTS

At the Company's 2023 annual general meeting the votes cast against the Remuneration Report considered at that annual general meeting were 0.44%, being less than 25%. Accordingly, a Spill Resolution is not relevant for this Annual General Meeting.

1.4 VOTING PROHIBITION STATEMENT

A member of KMP, details of whose remuneration are included in the Remuneration Report, and their closely related parties, are prohibited from voting on Resolution 1, except in the circumstances described in the voting exclusion statement set out in the Notice.

A voting prohibition statement has been included in the Notice for Resolution 1.

Resolution 2 - Re-election of Director - Gerald Strautins

2.1 GENERAL MEETING

In accordance with Listing Rule 14.5 and Article 6.3 of the Constitution, an election of Directors shall take place at each annual general meeting. Under Listing Rule 14.4 and Article 6.3(b) of the Constitution, no Director may retain office past the third annual general meeting following their appointment or three years, whichever is longer. Such a Director must retire from office and is eligible for re-election. Under rule 6.3(e) of the Constitution, if at any annual general meeting no Director is required to retire under the terms of rule 6.3(b) of the Constitution, then the Director who has been longest in office since their last election shall retire from office. These requirements for a Director to retire do not apply to a Managing Director.

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

Mr Strautins was a founding director of the Company and has extensive executive, mergers and acquisitions, consulting, programme and business management experience, with particular strength in formulating, implementing and managing strategic managed service/outsourcing operations and transformation initiatives. Gerald's strategic business consultancy and corporate management experience was gained through extensive work in Australia, Europe and Asia. He was the Executive – Strategy and M&A of ASG Group Limited (formerly ASX listed, ASX: ASZ), an IT business solutions provider, until it was acquired in late 2016 for \$350 million by Japanese multinational IT services and consulting business Nomura Research Institute, Ltd. At ASG Group he was responsible for the strategic direction of the organisation, while also completing in excess of \$500 million in mergers and acquisitions transactions.

EXPLANATORY STATEMENT CONTINUED

2.2 DIRECTORS RECOMMENDATION

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

The Chair intends to vote all available undirected proxies in favour of Resolution 3.

Resolution 3 - Re-election of Director - Grant Pestell

3.1 GENERAL

See Section 2.1 above for details about the Listing Rule and Constitution requirements for the rotation and re-election of Directors.

Mr Grant Pestell retires and, being eligible for re-election, offers himself for re-election as a Director at the Annual General Meeting.

Mr Pestell was a founding director of the Company and has been the managing director of Perth based legal firm MPH Lawyers since 2000. He has extensive experience advising both listed and private companies, particularly in the ICT, energy and resources, and mining services industries. Grant is regularly involved in and advises on complex commercial disputes, strategic contract negotiations, mergers and acquisitions, risk management and large-scale financing. Grant was an independent non-executive director of ASG Group Limited.

3.2 REQUIREMENT OF ASX LISTING RULE 7.1A

The Board (other than Mr Pestell, to whom Resolution 3 relates) supports and recommends that Shareholders vote in favour of the re-election of Mr Pestell.

The Chair intends to vote all available undirected proxies in favour of Resolution 3.

Resolution 4 - Approval of Additional 10% Placement Capacity

4.1 GENERAL

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

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its shareholders, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25% (**10% Placement Facility**).

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

Resolution 4 seeks Shareholder approval by way of a special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue Equity Securities without further Shareholder approval.

If Resolution 4 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

EXPLANATORY STATEMENT CONTINUED

4.2 REQUIREMENTS OF LISTING RULE 7.1A

4.2.1 Eligible Entities

As set out above, an eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. As of 8 October 2024, based on a closing share price of \$0.94, the Company has a market capitalisation of approximately \$166.8 million and is noted included in the S&P/ASX300 Index, and therefore is an eligible entity. If at the time of the Meeting the Company is no longer an eligible entity this Resolution will be withdrawn.

4.2.2 Shareholder approval

Shareholders must approve the 10% Placement Facility by special resolution at the Annual General Meeting, which requires the approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative). A resolution under Listing Rule 7.1A cannot be put at any other Shareholder meeting.

4.2.3 Equity securities

Equity securities issued under the 10% Placement Facility must be in the same class as an existing class of Equity Securities of the Company that are quoted on the ASX.

As at the date of this Notice, the Company has on issue the following classes of Equity Securities quoted on the ASX:

- 177,457,758

4.2.4 Formula for calculating 10% Placement Facility

If Resolution 3 is passed, the Company may, during the period of the approval, issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A = The number of fully paid ordinary securities on issue at the commencement of the relevant period.

- Plus the number of fully paid ordinary securities issued in the relevant period under an exception in Listing Rule 7.2 other than exceptions 9,16 or 17;
- Plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - The convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - The issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- Plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - The agreement was entered into before the commencement of the relevant period; or
 - The agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
 - Plus the number of any other fully paid ordinary securities issued in the relevant period with approval under Listing Rule 7.1 or Listing Rule 7.4;
 - Plus the number of fully paid ordinary securities that became fully paid in the relevant period; and
 - Less the number of fully paid ordinary securities cancelled in the relevant period.

EXPLANATORY STATEMENT CONTINUED

Note that “A” has the same meaning in Listing Rule 7.1 when calculating an entity’s 15% placement capacity;

D = 10%;

E = The number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under Listing Rule 7.4.

“Relevant period” means:

- If the entity has been admitted to the official list for 12 months or more, the 12-month period immediately preceding the date of the issue or agreement; or
- If the entity has been admitted to the official list for less than 12 months, the period from the date the entity was admitted to the official list to the date immediately preceding the date of the issue or agreement

Note that “relevant period” has the same meaning in Listing Rule 7.1 when calculating an entity’s 15% placement capacity.

4.2.5 Interaction between Listing Rules 7.1 and 7.1A

The 10% Placement Facility under Listing Rule 7.1A is in addition to the Company’s 15% placement capacity under Listing Rule 7.1.

The Company has 177,457,758 Shares on issue as at the date of this Notice. If all of the Resolutions in this Notice are passed (including this Resolution 4), the Company will be permitted to issue (as at the date of this Notice):

- 26,618,663 Equity Securities under Listing Rule 7.1; and
- 17,745,775 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities the Company will be permitted to issue under Listing Rule 7.1A will be calculated at the date of issue or agreement to issue the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out above).

The effect of Resolution 4 will be to allow the Company to issue Equity Securities under Listing Rule 7.1A without using the Company’s placement capacity under Listing Rule 7.1.

4.3 INFORMATION REQUIRED BY LISTING RULE 7.3A

The following information is provided to Shareholder for the purposes of Listing Rule 7.3A.

4.3.1 Listing Rule 7.3A.1 – Period for which the approval will be valid

An approval from Shareholders under Listing Rule 7.1A will be valid and commences on the date of the annual general meeting at which the approval is obtained (being 14 November 2024) and expires on the first to occur of the following:

- a. The date which is 12 months after the date of the annual general meeting at which the approval is obtained;
- 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 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

4.3.2 Listing Rule 7.3A.2 – Minimum price at which the equity securities under Listing Rule 7.1A may be used

As noted above, any Equity Securities issued under Listing Rule 7.1A.2 must be issued for cash consideration. Accordingly, every issue of Equity Securities under Listing Rule 7.1A.2 will have an accompanying proposed use of funds at the time of issue.

As at the date of this Notice, the Company has not formed an intention to offer any Equity Securities under Listing Rule 7.1A during the Listing Rule 7.1A mandate period, if Shareholders approve Resolution 4. However, if Shareholders approve Resolution 4 and the Company raised funds from the issue of Equity Securities under Listing Rule 7.1A, based on the Company’s existing plans, the Company considers the funds may be used for the following purposes:

- a. To further develop the Company’s business; and/or
- b. For general corporate purposes, including working capital requirements.

EXPLANATORY STATEMENT CONTINUED

4.3.4 Listing Rule 7.3A.4 – Risk of economic and voting dilution to existing ordinary Shareholders

If Resolution 4 is approved, and the Company issues Equity Securities under the 10% Placement Facility, existing Shareholders' voting power in the Company will be diluted as shown in the table below.

There is a risk that:

- The market price for the Company's existing Equity Securities in that class may be significantly lower on the date of issue of the new Equity Securities than on the date of the approval under Listing Rule 7.1A; and
- The new Equity Securities may be issued at a price that is at a discount (as described above) to the market price for the Company's Equity Securities on the issue date,

Which may have an effect on the amount of funds raised by the issue of the new Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of Shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2, based on a market price of Shares of \$0.945 and the number of Shares on issue as at 23 September 2024.

For the purpose of Listing Rule 7.3A.2, the table also shows:

- Two examples, where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of Shares the Company has on issue. The number of Shares may increase as a result of issues of Shares that do not require Shareholder approval (for example a pro rata entitlement issue) or future placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- Two examples, where the issue price of Shares has decreased by 50% and increased by 50% as against the current market price.

		Dilution		
		\$0.47	\$0.94	\$1.41
		50% decrease in Issue Price	Issue Price	50% increase in Issue Price
177,457,758	10% Voting Dilution	17,745,776 Shares	17,745,776 Shares	17,745,776 Shares
(Current Variable A in Listing Rule 7.1A.2)	Funds Raised	\$8,340,515	\$16,681,029	\$25,021,544
266,186,637	10% Voting Dilution	26,618,664 Shares	26,618,664 Shares	26,618,664 Shares
Shares (50% increase in Variable A in Listing Rule 7.1A.2)	Funds Raised	\$12,510,722	\$25,021,544	\$37,532,316
354,915,516	10% Voting Dilution	35,491,552 Shares	35,491,552 Shares	35,491,552 Shares
Shares (100% increase in Variable A in Listing Rule 7.1A.2)	Funds Raised	\$16,681,029	\$33,362,059	\$50,043,088

Notes:

- Based on the total number of fully paid ordinary Shares on issue as at 8 October 2024.
- Based on the closing price of the Company's Shares on ASX as at 8 October 2024.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table assumes the Company issues the maximum number of ordinary Shares available to be issued under Listing Rule 7.1A.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of issues of Equity Securities under the 10% Placement Facility based on that Shareholder's holding at the date of this Explanatory Statement.
- The table shows the effect of an issue of equity securities under Listing Rule 7.1A only, not under the Company's 15% placement capacity under Listing Rule 7.1

EXPLANATORY STATEMENT CONTINUED

4.3.5 Listing Rule 7.3A.5 – Allocation policy for issues under Listing Rule 7.1A

The Company's allocation policy and the identity of the allottees of Equity Securities under Listing Rule 7.1A will depend on a number of factors, including:

- a. The Company's intentions in relation to the possible issue of Equity Securities (for cash consideration) during the Listing Rule 7.1A mandate period;
- b. The structure and timeframe of the capital raising opportunities available to the Company and any alternative methods for raising funds available to the Company (such as a pro rata offer or an offer under a share purchase plan);
- c. The potential effect on the control of the Company;
- d. The Company's financial position and the likely future capital requirements;
- e. Prevailing market conditions; and
- f. Advice from the Company's corporate or financial advisors.

Based on the Company's historical cashflow reports and capital raising activities in the past 12 months, the Company considers it may raise funds during the Listing Rule 7.1A mandate period, although this cannot be guaranteed. As of the date of this Notice, no specific intention to issue Equity Securities in relation to any parties, investors or existing Shareholders have been formed. In addition, no intentions have been formed in relation to the possible number of issues, or the time frame in which the issues could be made. Subject to the requirements of the Listing Rules and the Corporations Act, the Board reserves the right to determine at the time of any issue of Equity Securities under Listing Rule 7.1A, the allocation policy the Company will adopt for that issue.

If and when the determination is made to proceed with an issue of Equity Securities during the Listing Rule 7.1A mandate period, details regarding the allottees and purposes of issue will be disclosed pursuant to the Company's obligations under Listing Rules 3.10.3 and 7.1A.4.

Offers made under Listing Rule 7.1A may be made to parties (excluding any related parties) including professional and sophisticated investors, existing Shareholders of the Company, clients of Australian Financial Service Licence holders and/or their nominees, or any other person to whom the Company is able to make an offer of Equity Securities.

4.3.6 Listing Rule 7.3A.6 – Issue or agreement to issue Equity Securities under Listing Rule 7.1A in the 12 months prior to AGM

In the 12 months preceding the date of the Meeting (being the period commencing 14 November 2023), the Company has not issued Shares using the 10% Placement Facility available under Listing Rule 7.1A.

4.4 VOTING EXCLUSION STATEMENT

A voting exclusion statement is included in the Notice for the purposes of Resolution 3. At the date of this Notice, the Company has not approached any existing Shareholder or security holder or an identifiable class of existing security holder to participate in a proposed issue of Equity Securities under the proposed 10% Placement Facility. No existing Shareholders' votes will therefore be excluded under the voting exclusion in the Notice.

4.5 DIRECTORS' RECOMMENDATIONS

The Directors unanimously recommend Shareholders vote in favour of Resolution 4.

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

EXPLANATORY STATEMENT CONTINUED

Resolution 5 - Ratification of Prior Issue of Core Asset Shares

5.1 GENERAL

On 19 April 2024, the Company entered into a binding Share Purchase Agreement (**SPA**) with Core Asset Co Pty Ltd (**Core Asset**) and Spiral X Pty Ltd (**Vendor**) in relation to the purchase by the Company of all the issued shares in Core Asset, an asset management consultancy based in Brisbane, Australia, which provides data-driven insights and solutions to clients to help improve the performance of their asset networks and their return on investment. The material terms of the SPA were disclosed by the Company in its ASX Announcement dated 19 April 2024 and are set out in Annexure A to this Notice.

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

- a. Upfront consideration payable upon completion under the SPA (**Completion**), comprising:
 - ii. \$2.9 million in cash; and
 - iii. 2,538,844 Shares (**Core Completion Shares**), each having a deemed issued price of \$0.9847 per Core Completion Share, and which are subject to a voluntary escrow commencing on the date of Completion and expiring on 3 May 2025; and
- b. Deferred consideration depending on the performance of the Core Asset business in the 12-month periods ending 31 December 2024 and 31 December 2025 (defined in the SPA as a **Relevant Period**), which can be partly satisfied through the issue of up to a maximum of 1,961,156 Shares (**Core Earnout Shares**). The Company has agreed to issue the Core Earnout Shares subject to the performance of the Core Asset business during the Relevant Periods as determined by the achievement or not of minimum EBITDA thresholds for the Relevant Periods, but these Shares have not yet been issued, and none or only part of the number of Core Earnout Shares may eventually be issued.

Resolutions 5 seeks the ratification of the prior issue of the 2,538,844 Core Completion Shares.

5.2 LISTING RULES 7.1 AND 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities a listed company can issue or agree to 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.

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

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

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

To this end, Resolution 5 seeks Shareholder approval of the prior issue of 2,538,844 Core Completion Shares under and for the purposes of Listing Rule 7.4.

5.3 TECHNICAL INFORMATION REQUIRED BY LISTING RULE 14.1A

If Resolution 5 is passed, the issue of the 2,538,844 Core Completion Shares will be excluded in calculating the Company's 15% limit under Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over 12-month period following the date of issue of the Core Completion Shares.

If Resolution 5 is not passed, the issue of the 2,538,844 Core Completion Shares 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 Core Completion Shares.

EXPLANATORY STATEMENT CONTINUED

5.4 TECHNICAL INFORMATION REQUIRED BY LISTING RULE 7.5

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

- a. The Completion Shares were issued to Spiral X Pty Ltd, the Vendor, who is not a Related Party of the Company, a member of Key Management Personnel, a substantial holder in the Company, an adviser to the Company or an associate of any such person;
- b. A total of 2,538,844 Core Completion Shares were issued to the Vendor;
- c. The Core Completion Shares are fully paid ordinary shares in the capital of the Company issued on the same terms as the existing Shares;
- d. The Core Completion Shares were issued on 3 May 2024;
- e. The deemed issue price per Core Completion Share was \$0.9847 each;
- f. No funds were raised from the issue of the Core Completion Shares as they were issued as partial consideration for completion of the acquisition of Core Asset by the Company;
- g. A summary of the terms of the SPA is set out in the Company's ASX Announcement dated 19 April 2024 and is set out in Annexure A to this Notice; and
- h. A voting exclusion statement is included in this Notice.

5.3 DIRECTORS' RECOMMENDATIONS

The Directors unanimously recommend Shareholders vote in favour of Resolution 5.

The Chair intends to vote all available undirected proxies in favour of Resolution 5.

Resolution 6 - Financial assistance by Core Asset Co Pty Ltd, a Subsidiary of the Company

6.1 GENERAL

This Section of the Explanatory Statement is for the purposes of section 260B(4) of the Corporations Act and contains all of the information known to the Company that is material to a Shareholder in determining whether to approve Resolution 6.

The Company has extended its existing loan facility with Westpac Ltd (**Lender**) for the provision of loan funds to the Company for acquisition and working capital purposes (**Facility**). The Facility was drawn down in order to pay the cash consideration to the Vendor in relation to the acquisition by the Company of all of the issued share capital in Core Asset (**Acquisition**).

A summary of the Acquisition is set out at Section 5.1 above and in Annexure A.

Following the Acquisition, the Company was required by the Lender to arrange for Core Asset to give a guarantee to the Lender of the obligations of the Company under the Facility and to grant a general security interest over the assets and undertakings of Core Asset to the Lender as security for the guarantee obligations (**Security**). As a part of these requirements the Lender requires the Company to seek Shareholder approval for Core Asset providing that financial assistance (**Financial Assistance**).

Pursuant to section 260A(1) of the Act, Core Asset and the Company, as its holding company, may financially assist a person to acquire shares in Core Asset (as applicable) only if:

- a. Giving the assistance does not materially prejudice:
 - i. The interests of the Company or its Shareholders; or
 - ii. The Company's ability to pay its creditors; or
- b. The assistance is approved by Shareholders under section 260B of the Act (as to which see below); or
- c. The assistance is exempted under section 260C of the Act.

EXPLANATORY STATEMENT CONTINUED

Financial assistance is defined very broadly and includes an entity giving a guarantee and granting a security interest over its assets and undertaking in connection with the acquisition of shares in that company, or an entity which becomes a wholly owned subsidiary, or as security for the obligations of the buyer.

Under section 260A(2) of the Act, the Financial Assistance may be given before or after the acquisition of the shares in the applicable entity.

Pursuant to section 260B of the Act, the Company must have the Financial Assistance approved by:

- a. A special resolution passed at a general meeting of the Company, with no votes being cast in favour of the resolution by the person acquiring the shares or by their associates; or
- b. A resolution agreed to, at a general meeting, by all of its Shareholders.

6.2 PARTICULARS OF THE PROPOSED FINANCIAL ASSISTANCE

On 1 May 2024, the Company entered into an amending deed (**Amending Deed**) which amended the terms of its existing facility agreement with the Lender (**Facility Agreement**), under the terms of the Amending Deed the Lender agreed to extend the existing Facility to facilitate the payment of consideration under the Acquisition and provide additional working capital to the Company. As is the case with similar funding arrangements, the Lender requires the Company's obligations under the Facility Agreement and related finance documents to be guaranteed and secured by certain of the Company's wholly owned subsidiaries, which includes Core Asset following the Acquisition.

The Company is the listed holding company of Core Asset and therefore is required to obtain approval from its Shareholders for the Financial Assistance under section 260B(2) of the Corporations Act in order for the Financial Assistance to be given. If this Resolution 6 is passed, the Company (as the sole shareholder of Core Asset) will pass the required resolution of approval of the shareholders of Core Asset for the purposes of section 260B(1) of the Corporations Act.

6.3 REASONS FOR THE FINANCIAL ASSISTANCE

The Financial Assistance is proposed because:

- a. It is a requirement of the Lender under the Facility Agreement as amended by the Amending Deed (**Amended Facility Agreement**) that, following the Acquisition, the Company procure that Core Asset accede as a guarantor under the Amended Facility Agreement and provide the Security and guarantee. By acceding to the Amended Facility Agreement and providing the Security and guarantee, Core Asset may be assisting the Company to comply with its obligations under the Amended Facility Agreement, which in turn is providing Financial Assistance to acquire the shares in Core Asset (as applicable);
- b. If Core Asset does not give the Financial Assistance, the Company will be in breach of the Amended Facility Agreement, which would give the Lender the right to demand all or any part of the Facility loaned to the Company under the Amended Facility Agreement (plus accrued interest) to be immediately due and payable. This would have an adverse impact on the Company's existing cash reserves and may require refinancing or renegotiating the facilities under the Amended Facility Agreement, which may result in more restrictive and expensive terms, which would likely impact the Company's operations; and
- c. It is considered the giving of Financial Assistance is beneficial to all Shareholders as it allows for the Acquisition to proceed in the manner it occurred.

6.4 EFFECT OF THE PROPOSED FINANCIAL ASSISTANCE

The effect of the Financial Assistance will be:

- a. Core Asset will be a guarantor of the Company's obligations under the Amended Facility Agreement and may be required to perform obligations of the Company in the event of default by the Company or another guarantor;
- b. Core Asset will provide the Security and the Lender will be entitled to enforce the Security if the Company or another guarantor fails to perform its obligations under the Amended Facility Agreement; and
- c. Core Asset will be required to perform and comply with the obligations under the Amended Facility Agreement and related finance documents to the extent those documents impose obligations on Core Asset

The directors of Core Asset, together with the Directors, do not believe the giving of the Financial Assistance will have the effect of materially prejudicing the interests of the creditors or shareholders of Core Asset or the Company.

EXPLANATORY STATEMENT CONTINUED

6.5 ADVANTAGES OF THE PROPOSED FINANCIAL ASSISTANCE

If Core Asset provides the Financial Assistance by granting the Security, this will allow the Company to satisfy its obligations to the Lender under the Amended Facility Agreement.

6.6 DISADVANTAGES OF THE PROPOSED FINANCIAL ASSISTANCE

- a. The Company is already liable for the amounts due under the Amended Facility Agreement. Accordingly, the Directors do not believe there are any disadvantages to the Company in the Financial Assistance being provided.
- b. If the Financial Assistance is given, then Core Asset may be liable to repay all moneys payable under the Amended Facility Agreement. This may have an adverse impact on the financial position of Core Asset if it is liable for the debts and obligations of the Company under the Amended Facility Agreement. If the Company defaults, the Lender may make a demand under the Security requiring Core Asset pay the amounts due under the Amended Facility Agreement.
- c. The operations of Core Asset, including their ability to borrow money in the future from other financiers may be restricted by the Security.

Notwithstanding the above, the Directors have no reason to believe there are any prevailing circumstances the Lender making a claim against the Security is probable or likely.

Accordingly, the potential disadvantages to Core Asset for providing the Financial Assistance are outweighed by the advantages to the Company (and Core Asset as a subsidiary) in accessing the Facility.

6.7 OTHER INFORMATION MATERIAL TO THE DECISION

- a. The Directors consider the consequences of not providing the Financial Assistance (as outlined in Section 6.3) will have a far greater adverse impact on Shareholders than any potential consequence of providing the Financial Assistance (as outlined in Section 6.6).
- b. The Directors consider this Section 6 of the Explanatory Statement contains all of the information known to the Company which would be material to Shareholders in deciding whether to approve the resolutions the subject of this Notice, other than the information which it would be unreasonable to require the Company to include because it has been previously disclosed to Shareholders.
- c. Resolution 6 requires a Special Resolution, which means that to be passed the item needs the approval of at least 75% of the votes cast by Shareholders entitled to vote on the Resolution.

6.8 DIRECTORS RECOMMENDATION

The Directors unanimously recommend Shareholders vote in favour of Resolutions 6.

The Chair intends to vote all available undirected proxies in favour of Resolution 6.

EXPLANATORY STATEMENT CONTINUED

Resolution 7 – Approval of Proportional Takeover Provisions

7.1 GENERAL

Resolution 7 seeks to adopt the Proportional Takeover Provisions set out in Annexure B to this Notice (Proportional Takeover Provisions), and which were previously contained in Schedule 5 of the Company's Constitution. The Proportional Takeover Provisions prohibit the registration of transfers of Shares acquired under a proportional takeover bid unless a resolution is passed by Shareholders approving the bid.

Under section 648D of the Corporations Act, a company may include in its constitution proportional takeover provisions of the kind proposed under Resolution 7. In accordance with section 648G the Corporations Act, these provisions are effective for a maximum of three years, unless renewed by way of a Special Resolution of Shareholders. These provisions were contained in the Constitution adopted by the Company on 10 December 2019 ahead of its listing on ASX in January 2020. Accordingly, these provisions expired on 10 December 2022.

The Directors believe it is appropriate to again adopt the Proportional Takeover Provisions in the Constitution. If adopted, the Proportional Takeover Provisions will operate for three years from the date of the Annual General Meeting and after that time will cease to apply unless renewed by a further Special Resolution of Shareholders. Accordingly, a Special Resolution is being put to Shareholders under section 648G of the Corporations Act to adopt the Proportional Takeover Provisions set out at Annexure B as Schedule 5 of the Constitution. A Special Resolution requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

If Resolution 7 is passed, then for 21 days after the Annual General Meeting, the holders of not less than 10% (by number) of the Shares have the right to apply to the Court to have Resolution 7 set aside. The Court may set aside Resolution 7 if the Court is satisfied in all the circumstances that it is appropriate to do so, otherwise the Court must dismiss the application.

The Corporations Act requires the Company to include the following information in this Notice in relation to Resolution 7.

7.2 PROPORTIONAL TAKEOVER BID

A proportional takeover bid is a takeover bid that is sent to all shareholders in a class, offering to purchase a specified proportion only (not all) of each shareholder's shares. If a shareholder accepts, the shareholder disposes of that specified portion and retains the balance.

7.3 EFFECTS OF THE PROPORTIONAL TAKEOVER PROVISIONS

The effects of the Proportional Takeover Provisions are that:

- If a bidder makes a proportional takeover bid for any class of shares in the Company, the Directors must ensure that a meeting of members of that class is convened where a resolution to approve the proportional takeover bid is voted on (Approving Resolution). The vote is decided on a simple majority. The bidder and its associates are excluded from voting on that Approving Resolution;
- The meeting and the vote on the Approving Resolution must take place more than 14 days before the last day of the bid period (Approval Deadline);
- If the Approving Resolution is rejected before the Approval Deadline, the bid cannot proceed and the offer will be taken to have been withdrawn. Any transfers giving effect to takeover contracts for the bid will not be registered and all offers under the takeover bid are taken to be withdrawn and all takeover contracts must be rescinded;
- If the Approving Resolution is not voted on, the bid will be taken to have been approved under section 648E(3) of the Corporations Act; and
- If the Approving Resolution is passed (or taken to have been approved), the transfers must be registered (subject to other provisions of the Corporations Act and the Constitution).

The Proportional Takeover Provisions do not apply to full takeover bids.

EXPLANATORY STATEMENT CONTINUED

7.4 REASONS FOR THE PROPORTIONAL TAKEOVER PROVISIONS

A proportional takeover bid may result in control of the Company changing without Shareholders having an opportunity to dispose of all their Shares. That is, Shareholders are exposed to the risk of being left as minority Shareholders in the Company by not being able to sell their entire shareholding into a proportional takeover offer. Also, by making a proportional bid, a bidder could obtain practical control of the Company by acquiring less than a majority interest. This might allow a bidder to acquire control without payment of an adequate control premium.

The Directors believe that the Proportional Takeover Provisions are desirable to give Shareholders protection from the risks inherent in proportional takeover bids. The Proportional Takeover Provisions proposed to be adopted allow Shareholders to decide if a proportional takeover bid is acceptable in principle, and may assist in ensuring that any proportional takeover bid is appropriately priced.

To assess the merits of the Proportional Takeover Provisions, Shareholders should make a judgment as to what events are likely to occur in relation to the Company during the three-year life of the provisions if adopted with Shareholder approval.

The Directors consider it is appropriate to adopt the Proportional Takeover Provisions because:

- This is consistent with past practice, and the Board's unchanged view of the desirability (or otherwise) of proportional takeover bids as a means of affecting a change in control; and
- Whilst the Proportional Takeover Provisions will be in place for three years, the Board cannot say whether a party intends to make a proportional takeover bid.

For these reasons, the Board considers it appropriate to seek to adopt the Proportional Takeover Provisions.

7.5 POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPORTIONAL TAKEOVER PROVISIONS

The Corporations Act requires this Notice to discuss the potential advantages and disadvantages for Directors and Shareholders of the Proportional Takeover Provisions proposed to be adopted. The Proportional Takeover Provisions were previously adopted on 10 December 2019, and lapsed on 10 December 2022.

The Directors consider that the Proportional Takeover Provisions have no potential advantages or disadvantages for any of them, and that they would remain free to make a recommendation on whether or not to accept an offer under a proportional takeover bid at the time such as offer was made.

The Directors note that it could be argued that the Proportional Takeover Provisions are an advantage to them as a takeover defence mechanism that could be exploited to entrench the incumbent Board. However, the Directors believe that argument ignores the basic objective of the Proportional Takeover Provisions, which is to empower Shareholders not the Directors.

The advantages that Shareholders may obtain as a result of the adoption of the Proportional Takeover Provisions include the following:

- Shareholders having the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- The Proportional Takeover Provisions may protect Shareholders from being locked in as a minority;
- The Proportional Takeover Provisions may increase the bargaining power of Shareholders and assist in ensuring that any proportional takeover bid is adequately priced; and
- Each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders, which may in turn, assist individual Shareholders in deciding whether to accept or reject an offer under a proportional takeover bid.

EXPLANATORY STATEMENT CONTINUED

The disadvantages that Shareholders may experience as a result of the adoption of the Proportional Takeover Provisions include the following:

- Proportional takeover bids for shares in the company may be discouraged;
- If a proportional takeover bid is not approved under an Approving Resolution, Shareholders may lose an opportunity to sell some of their shares at a premium under the relevant proportional takeover bid;
- Individual shareholders may consider that the Proportional Takeover Provisions would restrict their ability to deal with their shares as they see fit; and
- The likelihood of a proportional takeover bid succeeding may be reduced.

7.6 PREVIOUS OPERATION OF SCHEDULE 5

The Corporations Act also requires this Notice to retrospectively address the advantages and disadvantages for Directors and Shareholders of the Proportional Takeover Provisions which were previously adopted.

During the time that the Proportional Takeover Provisions were in effect there were no proportional takeover bids for the Company. However, during the period from 10 December 2022 to the date of this Notice, being the period that there were no Proportional Takeover Provisions in effect, there were no proportional takeover bids. The Directors are also not aware of any potential proportional takeover bid that was discouraged by the proportional takeover provisions. The Directors are therefore unable to point to any more specific advantages or disadvantages evident from the operation of the current provisions during the period of their operation.

7.7 KNOWLEDGE OF ANY ACQUISITION PROPOSALS

As at the date of this Notice, no Director is aware of a proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Those Directors who are also Shareholders have the same interest in Resolution 7 as all Shareholders.

7.8 DIRECTORS RECOMMENDATION

The Board recommends that Shareholders vote in favour of Resolution 7.

The Chair intends to vote all available undirected proxies in favour of Resolution 7.

GLOSSARY

\$ means Australian dollars.

10% Placement Facility has the meaning given in Section 4.1.

Acquisition has the meaning given in Section 6.1.

AEST means Eastern Standard Time as observed in Brisbane, Queensland.

Amending Deed has the meaning given in Section 6.2.

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

Annual Report means the annual report of the Company for the financial year ended 30 June 2023.

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

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

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

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

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

- a. A spouse or child of the member;
- b. A child of the member's spouse;
- c. A dependent of the member or the member's spouse;
- d. Anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member, in the member's dealing with the entity;
- e. A company the member controls; or
- f. A person prescribed by the Corporations Regulations.

Company means COSOL Limited ACN 635 371 363.

Completion has the meaning given in Section 5.1.

Constitution means the Company's Constitution.

Core Asset has the meaning given in Section 5.1.

Core Completion Shares has the meaning given in Section 5.1.

Corporations Act means the Corporations Act 2001 (Cth).

Corporations Regulations means the Corporations Regulations 2001 (Cth).

Director means a current director of the Company.

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

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

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

Facility has the meaning given in Section 6.1.

Facility Agreement has the meaning given in Section 6.2.

Financial Assistance has the meaning given in Section 6.1.

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

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

Lender has the meaning given in Section 6.1.

Listing Rules means the Listing Rules of ASX.

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

Proxy Form means the enclosed appointment of proxy form.

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

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

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

Section means a section contained in this Explanatory Statement.

Security has the meaning given in Section 6.1.

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

Shareholder means a registered holder of a Share.

SPA has the meaning given in Section 5.1.

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

Vendor has the meaning given in Section 5.1.

ANNEXURE A - SUMMARY OF TERMS OF THE SPA

A summary of the material terms of the SPA is set out below

- 100% of the issued capital of Core Asset Co Pty Ltd was acquired.
- The vendor was Spiral X Pty Ltd.
- Total consideration was valued at approximately \$6.1m, comprising:
 - Upfront consideration: cash of \$2.9m, and 2,538,844 COSOL shares (being that quantity of COSOL shares with a value of \$2.5m based on a deemed issue price of \$0.9847 being the 21 day VWAP prior to the SPA execution date of 18 April 2024); and
 - Earn-out consideration: up to a total of \$700k is payable to the vendor, dependent on the performance of the Core Asset business in the 2024 and 2025 calendar years. Provided applicable minimum EBITDA hurdles in a relevant calendar year are achieved, the vendor will be entitled to an instalment of earn-out consideration in relation to the calendar year (with no more than \$350k payable in respect of calendar year 2024). If the Core Asset business achieves less than the minimum EBITDA threshold for calendar year 2024 but outperforms in calendar year 2025, a "catch-up" mechanism applies such that up to the maximum of \$700k may still be earned by the vendor based on the aggregated EBITDA achieved over both calendar years 2024 and 2025. At least one third of any payable earn-out consideration will be satisfied in cash, with the balance to be satisfied in COSOL shares at a deemed issue price equal to the 21 day VWAP prior to the release of COSOL's audited/reviewed accounts for the relevant calendar year. The number of earn-out shares to be issued is capped at 4.5m without prior shareholder approval.
- The earn-out consideration is subject to the achievement of minimum EBITDA hurdles by the Core Asset business (as a subsidiary in the COSOL Group) for calendar years 2024 and 2025, and the continued employment of certain key personnel of Core Asset during the earn-out period. The scrip component of the earn-out consideration is not subject to mandatory or voluntary escrow.
- The COSOL shares issued as upfront consideration will be subject to voluntary escrow for a period of 12 months from the acquisition's completion date.
- Key personnel of Core Asset are subject to customary restraints of trade post completion.
- The acquisition consideration was funded through the COSOL Group's existing cash reserves and expanded Westpac financing facilities, and COSOL's existing placement capacity for equity securities under Listing Rule 7.1.
- There were no changes to COSOL's Board of Directors, and suitable COSOL representatives were appointed as Directors of Core Asset on completion of the acquisition.
- Completion under the SPA was subject to conditions precedent ordinarily found in similar acquisition transactions, along with conditions regarding financing approval, client contract change of control confirmations, and key employees entering into new employment agreements on no less favourable terms; the majority of these conditions can be waived by COSOL in its discretion.
- The SPA includes customary terms and conditions for transaction of a like nature, including regarding there being material adverse condition affecting the business, conduct of the business prior to completion, representations, warranties and indemnities.

Completion occurred on 3 May 2024.

ANNEXURE B - PROPORTIONAL TAKEOVER PROVISIONS

Schedule 5 - Proportional Takeover Bid Approval

1. DEFINITIONS

In this Schedule:

Approving Resolution means a resolution to approve a proportional takeover bid in accordance with this Schedule.

Deadline means the 14th day before the last day of the bid period for a proportional takeover bid.

Voter means a person (other than the bidder under a proportional takeover bid or an associate of that bidder) who, as at the end of the day on which the first offer under that bid was made, held bid class securities for that bid.

2. REFUSAL OF TRANSFERS

2.1 Requirement for an Approving Resolution

- a. The Company must refuse to register a transfer of Shares giving effect to a takeover contract for a proportional takeover bid unless and until an Approving Resolution is passed in accordance with this Schedule 5.
- b. This Schedule 5 ceases to apply on the 3rd anniversary of its last adoption, or last renewal, in accordance with the Corporations Act.

2.2 Voting on an Approving Resolution

- a. Where offers are made under a proportional takeover bid, the Directors must, call and arrange to hold a meeting of Voters for the purpose of voting on an Approving Resolution before the Deadline.
- b. The provisions of this Constitution concerning meetings of Members (with the necessary changes) apply to a meeting held under paragraph 2.2(a).
- c. Subject to this Constitution, every Voter present at the meeting held under paragraph 2.2(a) is entitled to one vote for each Share in the bid class securities that the Voter holds.
- d. To be effective, an Approving Resolution must be passed before the Deadline.
- e. An Approving Resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.
- f. If no Approving Resolution has been voted on as at the end of the day before the Deadline, an Approving Resolution is taken, for the purposes of this Schedule, to have been passed in accordance with this Schedule.

For personal use only





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



ALL ENQUIRIES TO

Telephone: 1300 554 474

Overseas: +61 1300 554 474



X99999999999

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 Annual General Meeting of the Company to be held at **10:00am (AEST) on Thursday, 14 November 2024 in the Queen Adelaide Room at the Brisbane Marriott Hotel, 515 Queen Street, Brisbane QLD 4000 (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolution 1 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 Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Ratification of Prior Issue of Core Asset Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Gerald Strautins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Financial Assistance by Core Asset Co Pty Ltd, a Subsidiary of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Director – Grant Pestell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Approval of Proportional Takeover Provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

COS PRX2401C

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

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

DEFAULT TO CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to 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 **10:00am (AEST) on Tuesday, 12 November 2024**, 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

*during business hours Monday to Friday (9:00am - 5:00pm)



COMMUNICATION PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, shareholders will need their "Holder Identifier" - Shareholder Reference Number (SRN) or Holder Identification Number (HIN).

IMPORTANT INFORMATION

Link Group is now known as MUFG Pension & Market Services. Over the coming months, Link Market Services will progressively rebrand to its new name MUFG Corporate Markets, a division of MUFG Pension & Market Services.

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