



LUCAPA DIAMOND COMPANY LIMITED
ACN 111 501 663
NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11:00AM (WST)

DATE: Tuesday 28 May 2024

PLACE: to be held as a hybrid meeting:

- physically at the Australian Institute of Management WA (Westpac Room), 76 Birkdale St, Floreat WA 6014; and
- virtually via Zoom.

Details on how to access the physical and virtual venues will be available online at <https://www.lucapa.com.au/investor-centre/financial-information/>

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at on Monday 27 May 2024.

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BUSINESS OF THE MEETING

AGENDA

FINANCIAL STATEMENTS

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 31 December 2023 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

RESOLUTIONS

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 31 December 2023.”

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

Voting prohibition statement: A vote on Resolution 1 must not be cast (in any capacity) (and the Company will disregard any such vote) by or on behalf of:

- (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 the persons referred to in (a).

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

- (c) the voter is appointed as a proxy in 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.

2. RESOLUTION 2 – ELECTION OF DIRECTOR – MR STUART BROWN

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

“That, for the purposes of clause 14.2(c) of the Constitution, Listing Rule 14.4 and for all other purposes, Stuart Brown a Director who was appointed as an additional Director on 5 April 2024, retires and being eligible, is elected as a Director.”

3. RESOLUTION 3 – ELECTION OF DIRECTOR – MR RONNIE BEEVOR

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

“That, for the purposes of clause 14.2(c) of the Constitution, Listing Rule 14.4 and for all other purposes, Ronnie Beevor a Director who was appointed as an additional Director on 5 April 2024, retires and being eligible, is elected as a Director.”

4. RESOLUTION 4 – ISSUE OF PERFORMANCE RIGHTS TO MR NICK SELBY UNDER THE INCENTIVE PLAN

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 2,250,897 Performance Rights to Mr Nick Selby (or his nominee) under the Incentive Plan and on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement: The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- (a) Mr Nick Selby (or his nominee(s));
- (b) any person referred to in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Incentive Plan; or
- (c) an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of Resolution 4 by:

- (d) a person as 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
- (e) 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
- (f) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with the directions given by the beneficiary to the holder to vote that way.

Voting prohibition statement:

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 4 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.

the above prohibition does not apply if:

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

5. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY

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

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

23 April 2024

By order of the Board

**Mark Clements
Company Secretary**

IMPORTANT INFORMATION

Attendance and participation

The Company welcomes the participation of Shareholders in the Meeting and Shareholders are invited to lodge questions in advance of the Meeting by sending an email containing their question(s) to webinar@lucapa.com.au by 5.00pm (WST) on Thursday 23 May 2024.

The Chair will endeavour to respond to as many emailed questions from a range of Shareholders during the Meeting - however, regrettably, not all questions may be answered in the time provided.

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

Voting procedure

Voting on all proposed resolutions at the Meeting will be conducted by poll. Under the Constitution, any poll will be conducted as directed by the Chair.

Shareholders can vote in one of two ways:

- by attending the physical Meeting and voting; or
- by appointing a proxy or attorney to attend and vote on their behalf.

The Zoom facility will allow shareholders to follow proceedings of the Meeting but not to vote.

Voting in person or by attorney

Shareholders, or their attorneys, who attend the Meeting in person are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that the Company may check their Shareholding against the Company's share register and note attendances.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

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

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

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

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

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

To be effective, Proxy Voting Forms must be received by 11.00am (WST) on 26 May 2024, being 48 hours prior to the Meeting. Proxies received after this time will be invalid.

Voting intentions

The Chair intends to vote all undirected proxies in favour of each item of business, provided the Chair is entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice. However, in exceptional circumstances, the Chair may change his voting intention, in which case an ASX announcement will be made.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9381 5995.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 31 December 2023 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

No resolution is required for this item, but Shareholders will be provided with a reasonable opportunity to ask questions or make comments in relation to these reports. The Company's auditor will also be present at the Meeting and Shareholders will be given the opportunity to ask the auditor questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor.

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

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

1.1 General

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

The remuneration report sets out a company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of a company for a financial year.

Shareholders will be given the opportunity to ask questions about or make comments on the Remuneration Report.

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 the adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

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

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

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

1.3 Previous voting results

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

2. RESOLUTION 2 – ELECTION OF DIRECTOR – MR STUART BROWN

2.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Stuart Brown having been appointed by other Directors on 5 April 2024 in accordance with the Constitution, will retire in accordance with the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

2.2 Qualifications and other material directorships

Mr Brown brings over 30 years of diamond knowledge and Africa experience as the former Interim CEO and CFO of major diamond producer De Beers with which he had a 20-year career. He is a former CEO of both Firestone Diamonds and Mountain Province Diamonds. During his time at Firestone Diamonds, he raised US\$225 million to develop the Lihobong Mine in Lesotho. While CEO of Mountain Province Diamonds, he oversaw a processing review at Gahcho Kue Mine in Canada which drove further profitability through increased production throughput.

Mr Brown brings significant board-level experience. He is currently a non-executive director of London-listed Ukrainian iron-ore miner Ferrexpo Plc and also a member of the audit and remuneration committees. He is also a non-executive director and chair of the audit committee of Digby Wells Environmental Holdings Limited, a provider of ESG consulting services to the mining industry.

Mr Brown holds a Bachelor of Accounting Science degree from the University of South Africa. He currently runs a consulting business focused on the mining and luxury goods sectors. He lives in Herefordshire, England.

2.3 Independence

Mr Brown is considered to be an independent director. The Board has an independent Chair and comprises a majority of independent Directors who each have extensive exploration, development and mining industry knowledge, country specific knowledge, technical, financial, capital markets and commercial expertise to drive performance, create Shareholder value and lead ethically by example.

2.4 Diversity

The Board comprises four Directors, all of whom are male. The Board has determined that the composition of the current Board represents the best mix of Directors that have an appropriate range of qualifications and expertise in the industries and the jurisdictions in which the Group operates, can understand and competently deal with current and emerging business matters and can effectively assess the performance of management.

The Group's diversity objective is to improve gender diversity at all levels of its business on a year-on-year basis whilst recognising that it operates in very competitive labour markets in

remote locations, with strong cultural sensitivities, where positions are sometimes difficult to fill. There is periodic reporting at the Group's operations to measure the gender mix within various levels of the organisation. The Group is committed to continually assessing and proactively monitoring these diversity trends and advocates that every candidate suitably qualified for a position has an equal opportunity of appointment regardless of gender, age, ethnicity or cultural background.

The Company continues to identify female candidates as part of the Board competencies analysis to ensure there is an emphasis on Board membership which aligns with the Company's corporate culture and addresses independence and diversity.

The Board is aware that many studies suggest that greater gender diversity at Board and management level creates a positive force for driving corporate performance as qualified and committed directors with different backgrounds, experiences and knowledge will likely enhance corporate performance. In that regard, the Board remains focused on resolving the gender imbalance on the Board by continuing to identify a pipeline of suitably qualified candidates with careful consideration of those who strengthen the Board skills matrix.

The Company continues to support the Australian Institute of Company Director's Board diversity initiatives and will continue to evolve its Board in alignment with the Company's needs and diversity best practice.

2.5 Other material information

The composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent shareholders and fulfill the business objectives of the Company.

The Board skills matrix is an important driver to formalise the Director nomination processes. It was applied most recently for the appointment of independent Non-executive director positions. The Board is of the opinion that Mr Brown has the relevant skills and expertise, including core corporate and industry experience to complement the existing skill sets on the Board.

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications, character, criminal record and bankruptcy history. The Company undertook such checks prior to the appointment of Mr Brown.

Mr Brown has confirmed that he considers that he will have sufficient time to fulfil his responsibilities as the non-executive Chair of the Company and does not consider that any other commitment will interfere with his availability to perform his duties as the non-executive Chair of the Company.

2.6 Board recommendation

The Company recognises the importance of its people in building a strong and successful organisation. To achieve this, the Company has focused on developing the right culture across the organisation, which is strongly based on a vision, mission and values communicated in our teams in Australia and Africa to ensure they know what is expected of them, both operationally and behaviourally, and are recognised for their good work.

Mr Brown is an integral part of the leadership team that drives this strategy.

The Board supports the re-election of Mr Brown and recommends that Shareholders vote in favour of Resolution 2. The Board considers that Mr Brown provides an important contribution to the Board, given his professional background, extensive experience in the diamond industry and significant board-level experience.

3. RESOLUTION 3 – ELECTION OF DIRECTOR – MR RONNIE BEEVOR

3.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Ronnie Beevor having been appointed by other Directors on 5 April 2024 in accordance with the Constitution, will retire in accordance with the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

3.2 Qualifications and other material directorships

Mr Beevor brings over 40 years of collective experience that spans investment banking and mining. He is a former head of investment banking of Rothschild Australia and has served on the boards of many mining companies in Australia and internationally and has recently retired as chairman of ASX listed, Bannerman Energy.

Mr Beevor is currently a director of Canadian iron-ore miner Champion Iron Limited, a director of Canadian explorer Mont Royal Resources and serves as chairman of Felix Gold, a gold explorer with assets in the United States.

Mr Beevor qualified as a chartered accountant in England and Wales, holding an honours degree in Philosophy, Politics and Economics from Oxford University. He resides in Sydney, Australia.

3.3 Independence

Mr Beevor is considered to be an independent director. The Board has an independent Chair and comprises a majority of independent Directors who each have extensive exploration, development and mining industry knowledge, country specific knowledge, technical, financial, capital markets and commercial expertise to drive performance, create Shareholder value and lead ethically by example.

3.4 Diversity

The Board comprises four Directors, all of whom are male. The Board has determined that the composition of the current Board represents the best mix of Directors that have an appropriate range of qualifications and expertise in the industries and the jurisdictions in which the Group operates, can understand and competently deal with current and emerging business matters and can effectively assess the performance of management.

The Group's diversity objective is to improve gender diversity at all levels of its business on a year-on-year basis whilst recognising that it operates in very competitive labour markets in remote locations, with strong cultural sensitivities, where positions are sometimes difficult to fill. There is periodic reporting at the Group's operations to measure the gender mix within various levels of the organisation. The Group is committed to continually assessing and proactively monitoring these diversity trends and advocates that every candidate suitably qualified for a position has an equal opportunity of appointment regardless of gender, age, ethnicity or cultural background.

The Company continues to identify female candidates as part of the Board competencies analysis to ensure there is an emphasis on Board membership which aligns with the Company's corporate culture and addresses independence and diversity.

The Board is aware that many studies suggest that greater gender diversity at Board and management level creates a positive force for driving corporate performance as qualified and committed directors with different backgrounds, experiences and knowledge will likely enhance corporate performance. In that regard, the Board remains focused on resolving the gender imbalance on the Board by continuing to identify a pipeline of suitably qualified candidates with careful consideration of those who strengthen the Board skills matrix.

The Company continues to support the Australian Institute of Company Director's Board diversity initiatives and will continue to evolve its Board in alignment with the Company's needs and diversity best practice.

3.5 Other material information

The composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent shareholders and fulfill the business objectives of the Company.

The Company has implemented a skills matrix for the Board which is an important driver to formalise the Director nomination processes. It was applied most recently for the appointment of independent non-executive Director positions (including that of Mr Beevor).

The Board is of the opinion that Mr Beevor has the relevant skills and expertise, including core corporate and industry experience to complement the existing skill sets of the Directors.

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications, character, criminal record and bankruptcy history. The Company undertook such checks prior to the appointment of Mr Beevor.

Mr Beevor has confirmed that he considers that he will have sufficient time to fulfil his responsibilities as the non-executive Director and does not consider that any other commitment will interfere with his availability to perform his duties as the non-executive Director.

3.6 Board recommendation

The Company recognises the importance of its people in building a strong and successful organisation. To achieve this, the Company has focused on developing the right culture across the organisation, which is strongly based on a vision, mission and values communicated in our teams in Australia and Africa to ensure they know what is expected of them, both operationally and behaviourally, and are recognised for their good work.

Mr Beevor is an integral part of the leadership team that drives this strategy.

The Board supports the re-election of Mr Beevor and recommends that Shareholders vote in favour of Resolution 3. The Board considers that Mr Beevor provides an important contribution to the Board, given his extensive experience in investment banking and mining and significant board-level experience.

4. RESOLUTION 4 – ISSUE OF PERFORMANCE RIGHTS UNDER THE INCENTIVE PLAN

4.1 Background

The Board currently monitors and reviews the remuneration level and policy of the Group as the Company does not have a remuneration committee given the size of the Board. However, it is intended that a remuneration committee will be established comprised by a majority of independent Directors as the Company continues its transition to become a mid-tier producer and explorer.

In the previous reporting period, the Board engaged an independent remuneration consultant, BDO Reward WA Pty Limited (**BDO**), to review the pay and rewards for Directors and senior executives. This review included independent benchmarking as the Company continues to maximise operating performance from its existing mines and exploration programs and moves toward another transformative and key strategic objective, which is the development of and ultimately the production from the Company's recently acquired Merlin Project in the Northern Territory, Australia.

The Company, as well as the diamond industry generally, have emerged from a difficult period. The Company is entering an important phase. While the Board believes that the remuneration framework was largely appropriate and fit-for-purpose, based on the Company's development and growth profile to drive and deliver the outcomes desired by all Shareholders, it has adopted the recommendations from BDO as an independent remuneration consultant. The recommendations from BDO focus on providing the Managing Director, key management personnel and senior management with clear short term incentives (**STI's**), project based incentives (**PBI's**) and long term incentives (**LTI's**) to drive the alignment of the Company's key objectives in a cost-effective way.

The STI's in the form of cash and equity, PBI's in the form of equity and LTI's in the form of equity, are to be measured against the Company's relevant targets and individual key performance indicators (**KPI's**) such as:

STI's

- Company Targets
 - Production
 - Expenditures/ Capex
 - ESG/ Safety
 - Exploration
- Individual KPI's for participants in the Incentive Plan

PBI's

- Commissioning of and production at the Merlin Project

LTI's

- Absolute Shareholder return

4.2 General

The Company is proposing to grant the following Performance Rights to Mr Nick Selby (**Managing Director**) as follows (**Director Incentives**) under the Incentive Plan:

Director	Performance Rights		
	Short Term Incentives	Long Term Incentives	Total
Nick Selby	1,128,255	1,122,642	2,250,897
Total	1,128,255	1,122,642	2,250,897

A Performance Right is exercisable, at no cost, on satisfaction of relevant performance hurdles, into a Share. The Performance Rights proposed to be granted to the Managing Director will vest based on the achievement of short term and long term incentive performance hurdles respectively, and as a key staff retention mechanism, employment with the Company at time of vesting.

4.3 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of Director Incentives constitutes giving a financial benefit and the Managing Director is a related party of the Company by virtue of being a Director.

The purpose of the issue of the Director Incentives to the Managing Director is to further retain, motivate and reward his performance.

The Directors (other than the Managing Director) have formed the view that the grant of the Director Incentives is at arm's length and constitutes reasonable remuneration for the Managing Director for the purposes of sections 210 and 211 of the Corporations Act. Accordingly, and in reliance on these statutory exceptions, approval from Shareholders is not being sought for the purposes of Chapter 2E of the Corporations Act.

4.4 Listing Rule 10.14

In addition, 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:

10.14.1 a director of the entity,

10.14.2 an associate of the director, or

10.14.3 a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

The proposed issue of the Director Incentives to the Managing Directors is captured by Listing Rule 10.14.1(a) and therefore requires the approval of Shareholders under Listing Rule 10.14.

Approval pursuant to Listing Rule 7.1 is not required in order to grant the Director Incentives to the Managing Directors as approval is being obtained under Listing Rule 10.14.

Accordingly, if Resolution 4 is approved, the grant of Director Incentives to the Managing Director will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

4.5 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Company will be able to proceed with the grant of Director Incentives to the Managing Director within 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules).

As approval pursuant to Listing Rule 7.1 is not required for the grant of the Director Incentives and the Shares issued on vesting of the Director Incentives (because approval is being obtained under Listing Rule 10.14), the grant of Director Incentives will not use up any of the Company's 10% or 15% annual placement capacities.

If Resolution 4 is not passed, the Company will not be able to proceed with the grant of Director Incentives to the Managing Director. This would likely mean the Company would be required to meet the portion of the Directors' remuneration that were to be satisfied by the issue of the Director Incentives in cash.

4.6 Technical information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15 the following information is provided in relation to Resolution 4:

- (a) the Director Incentives are proposed to be issued to the Managing Director or his nominee over the next three years based on achievement against incentive performance hurdles;
- (b) the Managing Director falls within the category set out in Listing Rule 10.14.1 by virtue of being a Director;
- (c) the maximum number of Performance Rights to be issued to the Managing Director is 2,250,897 (which the Directors, other than the Managing Director) consider to be an appropriate and equitable number of Performance Rights and constitutes reasonable remuneration in the circumstances;
- (d) the current remuneration package of the Managing Director is disclosed in the audited Remuneration Report contained within the Company's Annual Report 2023. If Resolution 4 is passed, Mr Selby will also be entitled to be issued up to 2,250,897 Performance Rights. In summary Mr Selby's total fixed remuneration for FY23 was A\$595,000.

The Incentive Plan framework was established in FY22 following the recommendations from BDO whereby performance measures set for the Key Management Personnel and key staff based upon the Company's relevant targets for the year in relation to production, operating & capital expenditure, ESG/safety and exploration, together with personal performance indicators (KPIs). STI's for FY23 consist of equity-based incentives in the form of Performance Rights (67%) and cash bonuses (33%). The Company had intended to seek approval from Shareholders to issue 4,410,998 Performance Rights to Mr Selby (pre-consolidation) at the annual general meeting in 2024 and included resolutions seeking this shareholder approval in the notice sent to Shareholders. However, the resolution was withdrawn before the annual general meeting in 2023 at the request of Mr Selby and Performance Rights were only issued to key staff in FY23. Ninety-four and a half percent of the STI measures were achieved in FY23 and a cash bonus was awarded to Mr Selby (A\$84,911) and to key staff. In addition, a discretionary bonus of A\$167,618 was awarded by the Board to Mr Selby following his appointment. The Remuneration Report sets out further details of Mr Selby's remuneration.

- (e) since the Incentive Plan was last approved by Shareholders at the Company's annual general meeting held on 30 May 2022, the Company has issued 7,644,300 Performance Rights (pre-consolidation) to Mr Selby - of which 467,806 Performance Rights (pre-consolidation) have been cancelled and 1,200,494 Performance Rights (pre-consolidation) have vested in favour of Mr Selby, for nil consideration under the Incentive Plan.
- (f) the Director Incentives will be issued on the terms and conditions contained in the Incentive Plan (which are summarised at Annexure B) and the following additional key terms which the Directors (other than the Managing Director) consider to be appropriate and equitable in the circumstances:

1. It is intended that the STI is awarded on an annual basis (subject to Shareholder approval, as required under the Listing Rules) as follows:

- 60% of fixed remuneration – one-year annual award
- Vesting only if:
 - Employed at time of vesting (one year from the date of issue);
 - Subject to achievement of milestones based upon Company targets and individual KPIs as follows:

Company Targets (70-80%)	Individual KPI 's (20-30%)
- Production (25%)	- KPI's relevant to personal control areas and Company scorecard
- Expenditure/ Capex (25%)	
- ESG/ Safety (25%)	
- Exploration (25%)	

- Apportioned in accordance with achievement against threshold, target and stretch targets;
- Paid as follows:
 - 33% in cash following assessment of milestones at year end; and
 - 67% in deferred equity (through Performance Rights) to be granted in May 2024 subject to Shareholder approval; expiring four years from the date of issue; measured following assessment of milestones at year end.

2. It is intended that the LTI is awarded on an annual basis (subject to Shareholder approval as required under the Listing Rules):

- 40% of fixed remuneration – awarded annually;
- Vesting only if:
 - Employed at time of vesting (three years from the date of issue); and
 - Subject to achievement of absolute Shareholder returns measured over a three-year period based upon a Share price target to be determined based upon the closing Share price on grant date;

TSR Performance Over Three Years	% of Performance Rights that Vest
<10%	0%
15%	51%
>15%<20%	Pro-rata vesting between 50%-100%
>20%	100%

- Paid as follows:
 - 100% in deferred equity (through Performance Right) to be granted in May 2024 subject to Shareholder approval; expiring five years from the date of issue; measured at end of year three.

3. For all STI, PBI and LTI awards, the employee must be employed by the Company for the award to vest (**Service Condition**). There are usual good leaver and bad leaver provisions that apply at the discretion of the Board.

4. All awards must be exercised within 2 years or they lapse/ expire.

5. The Board has discretion to reduce or clawback all vested and unvested deferred STI and LTI awards in certain circumstances to ensure the Managing Director does not obtain an inappropriate benefit. The circumstances in which the Board may exercise this discretion are extensive and include situations where a Managing Director has engaged in misconduct.

6. In the event of a change of control in the Company, all Performance Rights will vest.

- (g) the Directors (other than the Managing Director) have determined to issue Performance Rights in connection with the Director Incentives, rather than options, following the recommendations from BDO as Performance Rights are viewed as a better alternative to remunerate executives who are tasked with achieving certain specific strategic outcomes;

- (h) the purpose of the issue of the Director Incentives is to provide a performance linked incentive component in the remuneration package for the Managing Director to motivate and reward his performance as a Managing Director to achieve the Company's current objectives;
- (i) the value of each Performance Right and the pricing methodology is set out in Annexure A, being:
 - (i) \$0.115 per Short Term Performance Right; and
 - (ii) \$0.114 per Long Term Performance Right;
- (j) the Director Incentives will be issued to the Managing Director no later than three years after the date of the Meeting (or such later date permitted by ASX waiver or modification of the Listing Rules);
- (k) no cash price is being paid by the Managing Director for the grant and issue of the Director Incentives and no loans are being made to the Managing Director in connection with the grant of the Director Incentives;
- (l) a summary of the material terms of the Incentive Plan is set out in Annexure B;
- (m) details of any Director Incentives issued under the Incentive Plan will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue of any such Director Incentives was obtained under Listing Rule 10.14;
- (n) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Incentive Plan after the passing of Resolution 4 who were not named in this Notice will not participate in the Incentive Plan until approval is obtained under Listing Rule 10.14; and
- (o) a voting exclusion statement is included in respect of Resolution 4.

The Board considers the multi-year awards are appropriate based upon the Company's circumstances as the annual rolling incentives (STI's and LTI's) relate largely to the operating part of the business and the delivery of Shareholder returns and sustainability.

The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Director Incentives upon the terms proposed.

4.7 Board recommendation

The Company recognises the importance of its people in building a strong and successful organisation.

The Directors, other than the Managing Director, consider the issue of Performance Rights under Resolution 4 to be an appropriate and equitable number of Performance Rights in the circumstances and recommend that Shareholders vote in favour of Resolution 4.

5. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY

5.1 General

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

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

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

Resolution 5 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in ASX Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

5.2 Description of Listing Rule 7.1A

Any Equity Securities issued under the 7.1A Mandate (**Placement Securities**) must be in the same class as an existing quoted class of Equity Securities of the Company. The Company, as at the date of the Notice, has on issue one class of quoted Equity Securities, being ordinary shares (**Shares**).

Resolution 5 is a special resolution and therefore 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).

Eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Placement Securities calculated in accordance with the formula in Listing Rule 7.1A.2.

5.3 Technical information required by ASX Listing Rule 14.1A

If Resolution 5 is passed, the Company will be able to issue Placement Securities up to the combined 25% limit in ASX Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 5 is not passed, the Company will not be able to access the additional 10% capacity to issue Placement Securities without Shareholder approval under ASX Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in ASX Listing Rule 7.1.

5.4 Technical information required by ASX Listing Rule 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 5:

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

Subject to the approval of Resolution 5, the 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

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

(b) **Minimum price**

Any Placement Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume

weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Placement Securities are to be issued is agreed by the Company and the recipient of the Placement Securities; or
- (ii) if the Placement Securities are not issued within 10 ASX trading days of the date in Section 5.4(b)(i), the date on which the Placement Securities are issued.

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

The Company intends to use funds raised from issues of Placement Securities under the 7.1A Mandate to further its strategy of growing as a niche mid-tier explorer and producer of high-quality diamonds. Funds raised could be used to expand capacity at the producing mines at Lulo (Angola) and Mothae (Lesotho), to further the studies and mine development activities at Merlin (Northern Territory), to further the kimberlite exploration activities at Lulo (Angola), to advance the exploration programs at Brooking (Western Australia) and for general working capital and corporate administration costs or for the acquisition of new resource assets and investments.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.3 upon issue of any Placement Securities under the 7.1A Mandate.

(d) **Risk of economic and voting dilution**

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

If Resolution 5 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below is included for illustrative purposes only and shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Shares on issue as at 11 April 2024.

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

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)		Dilution		
		Issue Price (per Share)		
		\$0.058 50% decrease in Issue Price	\$0.115 Issue Price	\$0.173 50% increase in Issue Price
289,141,849 (Current Variable A)	Shares issued - 10% voting dilution	28,914,185 Shares	28,914,815 Shares	28,914,815 Shares
	Funds raised	\$1,662,566	\$3,325,131	\$4,987,697
433,712,774 (50% increase in Variable A)	Shares issued - 10% voting dilution	43,371,277 Shares	43,371,277 Shares	43,371,277 Shares
	Funds raised	\$2,493,848	\$4,987,697	\$7,481,545
578,283,698 (100% increase in Variable A)	Shares issued - 10% voting dilution	57,828,370 Shares	57,828,370 Shares	57,828,370 Shares
	Funds raised	\$3,325,131	\$6,650,263	\$9,975,394

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

The table above uses the following assumptions:

1. There are currently 289,141,849 Shares on issue as at the date of this Notice.
2. The issue price set out above is the closing price of the Shares on the ASX on 11 April 2024.
3. The Company issues the maximum possible number of Placement Securities under the 7.1A Mandate.
4. The table shows only the effect of issues of Placement Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1
5. The issue of Placement Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options or Performance Rights are exercised into Shares before the date of issue of the Placement Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1 unless otherwise disclosed.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the approval under Listing Rule 7.1A, being the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

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

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

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

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

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

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 30 May 2023 (**Previous Approval**).

There have been no issues of or agreements to issue Placement Securities under the Previous Approval by the Company during the 12 month period preceding the date of the Meeting.

- (g) As at the date of this Notice, the Company is not proposing to make an issue of Placement Securities under ASX Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in respect of this Resolution 5.

GLOSSARY

\$ means Australian dollars.

7.1A Mandate has the meaning given in Section 5.1.

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

ASIC means the Australian Securities & Investments Commission.

Associated Body Corporate means

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of Directors.

Chair means the chair of the Meeting.

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

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Lucapa Diamond Company Limited (ACN 111 501 663).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Equity Securities has the meaning given to that term in the ASX Listing Rules.

Explanatory Statement means the explanatory statement accompanying the Notice.

Group means the Company and its subsidiaries;

Incentive Plan means the Company's Incentive and Retention Plan approved at the Company's 2022 Annual General Meeting and summarised in Annexure B.

Long Term Performance Right means a Performance Right that vests subject to the satisfaction of the long term milestones set out in section 4.6(f)2.

LTI's means long term incentives.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or Notice of Meeting means this notice of meeting including the Explanatory Statement and the Proxy Voting Form.

Option means an option to subscribe for or acquire a Share.

PBI's means project based incentives.

Performance Right or **PR** means a right to be issued a Share on the terms and conditions in the Incentive Plan .

Proxy Voting Form means the proxy voting form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 31 December 2023.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Short Term Performance Right means a Performance Right that vests subject to the satisfaction of the short term milestones set out in section 4.6(f)1.

STI's means a short term incentives.

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

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

ANNEXURE A – VALUATION OF PERFORMANCE RIGHTS

Short Term Incentives

The Company has valued the Performance Rights proposed to be issued to the Managing Director in accordance with the Short Term Incentive (STI) pursuant to Resolution 4 (**Short Term Performance Right**) using the Binomial Option valuation methodology. The valuation using this methodology is a function of a number of variables:

Variable	Input
Share price	\$0.115
Exercise price	\$0
Risk free interest rate	4.14%
Volatility	75%
Time (years to expiry) – Annual STI	4

For the purposes of calculating the value of each Short Term Performance Right, the Company has:

- (a) assumed the price per Share on the ASX is \$0.115, which was the closing price of Shares on ASX on 10 April 2024, being the date of the valuation;
- (b) assumed the exercise price for each Short Term Performance Right is \$0;
- (c) used a risk free interest rate of 4.14% (estimated based on the 10-year Australian treasury bond rate as at the date of valuation of the Short Term Performance Rights);
- (d) used a volatility of the Share price of 75% based on the four year historic volatility of the Share price of the Company; and
- (e) assumed that the Short Term Performance Rights are issued on 30 May 2024.

Based on the above, the Company has calculated an indicative value of one Short Term Performance Right to be \$0.115.

Accordingly, an indicative value of the Short Term Performance Rights proposed to be issued to the Managing Director pursuant to Resolution 4 is A\$129,749.

Any change in the variables applied in the Binomial Model calculation between the date of the valuation (10 April 2024) and the date the Short Term Performance Rights are granted would have an impact on their value.

Long Term Incentives

The Company has valued the performance rights proposed to be issued to the Managing Director in accordance with the Long Term Incentives (LTI) pursuant to Resolution 4 (**Long Term Performance Right**) using the Trinomial Option valuation methodology, which incorporates performance conditions based on absolute Shareholder return measurements.

The valuation of the Long Term Performance Rights has been prepared using the assumptions below for the following scenarios:

- **Scenario A** – the target Share price up to which point no Long Term Performance Rights vest;
- **Scenario B** – the target Share price at which point 51% of the Long Term Performance Rights vest; and
- **Scenario C** – the target Share price at which point 100% of the Long Term Performance Rights vest.

Variable/ Description	Scenario A	Scenario B	Scenario C
Share price	\$0.115	\$0.115	\$0.115
Risk free interest rate	4.14%	4.14%	4.14%
Volatility	75%	75%	75%
Time (years to expiry)	5	5	5
Share price target	\$0.184	\$0.231	\$0.287
Compound annual growth in share price	9.9%	15.0%	20.1%
% Long Term Performance Rights vesting	0%	51%	100%
Indicative value of one Long Term Performance Right	\$0.114	\$0.114	\$0.114

The indicative value of the Long Term Performance Rights proposed to be issued to the Managing Director under the LTI is as follows:

	Scenario A	Scenario B	Scenario C
Number of Long Term Performance Rights vesting	0	572,547	1,122,642
Value of Long Term Performance Rights vesting	\$0	\$65,270	\$127,981

For the purposes of calculating the value of each Long Term Performance Right, the Company has:

- (a) assumed the Share price is \$0.115, which was the closing price of Shares on ASX on 10 April 2024, being the date of valuation;
- (b) used a risk free interest rate of 4.14% (estimated based on the 10-year Australian treasury bond rate as at the date of valuation of the Long Term Performance Rights);
- (c) used a volatility of the Share price of 75% based on the 4 year historic volatility of the Share price of the Company; and
- (d) assumed that the Long Term Performance Rights are issued on 30 May 2024.

Any change in the variables applied in the Trinomial Valuation calculation between the date of the valuation (10 April 2024), and the date the Long Term Performance Rights are granted would have an impact on their value.

ANNEXURE B – SUMMARY OF INCENTIVE PLAN

The key terms of the Incentive and Retention Plan (**Plan**) are as follows:

- (i) **Eligibility:** Participants in the Plan may be:
- (A) a Director (whether executive or non-executive) of the Company and any Associated Body Corporate of the Company (each, a **Group Company**);
 - (B) a full or part time employee of any Group Company;
 - (C) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**); or
 - (D) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,
- who is declared by the Board to be eligible to receive grants of Options or Performance Rights (**Awards**) under the Plan (**Eligible Participants**).
- (ii) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant to apply for Awards, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines.
- (iii) **Plan limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Awards offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- (iv) **Issue price:** Performance Rights granted under the Plan will be issued for nil cash consideration. Unless the Options are quoted on the ASX, Options issued under the Plan will be issued for no more than nominal cash consideration.
- (v) **Vesting conditions:** An Award may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Awards (**Vesting Conditions**).
- (vi) **Vesting:** The Board may in its absolute discretion (except in respect of a change of control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Awards have been granted under the Plan or their nominee where the Awards have been granted to the nominee of the Eligible Participant (**Relevant Person**)), resolve to waive any of the Vesting Conditions applying to Awards due to:
- (A) special circumstances arising in relation to a Relevant Person in respect of those Awards, being:
 - (A) a Relevant Person ceasing to be an Eligible Participant due to:
 - (I) death or total or permanent disability of a Relevant Person; or
 - (II) retirement or redundancy of a Relevant Person;
 - (B) a Relevant Person suffering severe financial hardship;
 - (B) any other circumstance stated to constitute “special circumstances” in the terms of the relevant offer made to and accepted by the Participant; or
 - (C) any other circumstances determined by the Board at any time (whether

before or after the offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant,

(Special Circumstances), or

- (C) a change of control occurring; or
 - (D) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
- (vii) **Lapse of an Award:** An Award will lapse upon the earlier to occur of:
- (A) an unauthorised dealing, or hedging of, the Award occurring;
 - (B) a Vesting Condition in relation to the Award is not satisfied by its due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to vest the Award in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Awards to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (C) in respect of unvested Awards only, a Relevant Person ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Award in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Awards to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (D) in respect of vested Awards only, a Relevant Person ceases to be an Eligible Participant and the Award granted in respect of that Relevant Person is not exercised within a one (1) month period (or such later date as the Board determines) of the date that person ceases to be an Eligible Participant;
 - (E) the Board deems that an Award lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
 - (F) the Company undergoes a change of control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Award; and
 - (G) the expiry date of the Award.
- (viii) **Not transferrable:** Subject to the ASX Listing Rules, Awards are only transferrable in Special Circumstances with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death, to the Participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.
- (ix) **Shares:** Shares resulting from the exercise of the Awards shall, subject to any Sale Restrictions (refer paragraph (k)) from the date of issue, rank on equal terms with all other Shares on issue.
- (x) **Sale restrictions:** The Board may, in its discretion, determine at any time up until exercise of Awards, that a restriction period will apply to some or all of the Shares issued to a Participant on exercise of those Awards (**Restriction Period**). In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such Restriction Period.
- (xi) **Quotation of Shares:** If Shares of the same class as those issued under the Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any Restriction Period applying to the Shares ends.

- (xii) **No participation rights:** There are no participation rights or entitlements inherent in the Awards and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Awards without exercising the Award.
- (xiii) **Change in exercise price of number of underlying securities:** An Award does not confer the right to a change in exercise price or in the number of underlying Shares over which the Award can be exercised.
- (xiv) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a Participant are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (xv) **Amendments:** Subject to express restrictions set out in the Plan and complying with the Corporations Act, ASX Listing Rules and any other applicable law, the Board may, at any time, by resolution amend or add to all or any of the provisions of the Plan, or the terms or conditions of any Award granted under the Plan including giving any amendment retrospective effect.

Your proxy voting instruction must be received by **11.00am (AWST) on Sunday, 26 May 2024**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

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

YOUR NAME AND ADDRESS

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

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

Lodging your Proxy Voting Form:

Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

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



BY MAIL:

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