



Murray Cod Australia Ltd

ACN 143 928 625

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at the Griffith Ex Services Club, Jondaryan Avenue, Griffith, New South Wales on Friday, 19 November 2021 at 2pm (AEDT)

The Directors recommend that you vote in favour of all Resolutions at this Annual General Meeting.

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on (02) 6962 5470.

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice

MURRAY COD AUSTRALIA LIMITED

ACN 143 928 625

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Murray Cod Australia Limited (**Company**) will be held at the Griffith Ex Services Club, Jondaryan Avenue, Griffith, New South Wales on Friday, 19 November 2021 at 2pm (AEDT) (**Meeting**).

The Explanatory Statement provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company on Wednesday, 17 November 2021 at 5pm (AEDT).

Terms and abbreviations used in the Notice are defined in Schedule 1.

1. Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2021, which includes the Financial Report, the Directors' Report and the Auditor's Report.

The reports referred to above are included in the 2021 Annual Report sent to those Shareholders who elected to receive a hard copy. A copy of the report is also available on the Company's website at <https://aquana.com>.

2. Resolution 1 - Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, 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 as set out in the Company's Annual Report for the financial year ended 30 June 2021, on the terms and conditions in the Explanatory Statement".

3. Resolution 2 - Re-election of Director - Mr David Crow

To consider and, if thought fit, to pass, with or without amendment, as an ordinary resolution:

"That, for the purposes of article 10.3 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr David Crow, having been appointed as an additional Director on 8 February 2021, who retires and being eligible, offers himself for re-election, is re-elected as a Director on the terms and conditions set out in the Explanatory Statement."

4. Resolution 3 - Re-election of Director - Mr George Roger Commins

To consider and, if thought fit, to pass, with or without amendment, as an ordinary resolution:

"That, for the purposes of article 10.3 of the Constitution, Listing Rule 14.5 and for all other purposes, Mr George Roger Commins, a Director, who retires and being eligible, offers himself for re-election, is re-elected as a Director on the terms and conditions set out in the Explanatory Statement."

5. Resolution 4 - Approval for Additional 10% Placement Facility

To consider and if thought fit, to pass, with or without amendment, the following resolution as a special resolution:

"That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling 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 on the terms and conditions set out in the Explanatory Statement."

6. Resolution 5 - Approval of issue of Incentive Options

To consider and, if thought fit, to pass, with or without amendment, each as a **separate** ordinary resolution:

"That, pursuant to and in accordance Listing Rule 10.14 and sections 195(4) of the Corporations Act and for all other purposes, Shareholders approve the issue of Incentive Options to Directors (or their respective nominees) under the Scheme as follows:

- (a) up to 5,000,000 Incentive Options to Ross Anderson;*
- (b) up to 5,000,000 Incentive Options to Mathew Ryan;*
- (c) up to 2,000,000 Incentive Options to Martin Priestley;*
- (d) up to 2,000,000 Incentive Options to George Commins; and*
- (e) up to 2,000,000 Incentive Options to David Crow,*

or their respective nominees, on the terms and conditions in the Explanatory Statement."

Voting Prohibitions

Resolution 1

In accordance with section 250R of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member.

A vote may be cast by such person as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; or
- (b) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on Resolution 1, but expressly authorises the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Further, 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 1 if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 1.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1. In exceptional circumstances, the Chair may change his or her voting intention on the Resolution, in which case an ASX announcement will be made.

Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

Resolutions 5(a) to (e) (inclusive)

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

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

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) 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.

Voting Exclusions

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

Resolution 4 if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under Listing Rule 7.1.A.2, by or on behalf of any 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 Shareholder), or any associate of those persons;

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

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

Resolution 5(a), (b), (c), (d) and (e) by or on behalf of Ross Anderson, Mathew Ryan, Martin Priestley, George Commins and David Crow (or their respective nominees), a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question, or any of their respective associates.

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

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

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

BY ORDER OF THE BOARD

Mr Ross Anderson
Executive Chairman
Murray Cod Australia Limited
Dated: 13 October 2021

MURRAY COD AUSTRALIA LIMITED

ACN 143 928 625

EXPLANATORY STATEMENT

1. Introduction

The Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the Griffith Ex Services Club, Jondaryan Avenue, Griffith, New South Wales on Friday, 19 November 2021 at 2.00pm (AEDT).

The Explanatory Statement forms part of the Notice which should be read in its entirety. The Explanatory Statement contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Statement includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Annual Report
Section 4	Resolution 1 - Adoption of the Remuneration Report
Section 5	Resolution 2 - Re-election of Director - Mr George Commins
Section 6	Resolution 3 - Re-election of Director - Mr David Crow
Section 7	Resolution 4 - Approval for Additional 10% Placement Facility
Section 8	Resolutions 5(a) to (e) - Approval of issue of Incentive Options
Schedule 1	Definitions
Schedule 2	Terms and conditions of Incentive Options
Schedule 3	Valuation of Incentive Options
Schedule 4	Summary of Employee Incentive Scheme

A Proxy Form is located at the end of the Explanatory Statement.

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Statement carefully before deciding how to vote on the Resolutions.

2.1 Impact of COVID-19 on the Meeting

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19.

Based on the best information available to the Board at the time of the Notice, the Board considers it will be in a position to hold an 'in-person' meeting to provide Shareholders with a reasonable opportunity to participate in and vote at the Meeting, while complying with the COVID-19 restrictions regarding gatherings. The Company, however, strongly encourages Shareholders to submit proxies prior to the Meeting.

If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Meeting by releasing an ASX announcement.

2.2 Voting in person

To vote in person, attend the Meeting on the date and at the place set out above.

2.3 Proxies

(a) Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company 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.

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

(b) Proxy vote if appointment specifies way to vote

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

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
 - (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution - the proxy must not vote on a show of hands;
 - (iii) if the proxy is the chair of the meeting at which the resolution is voted on - the proxy must vote on a poll, and must vote that way (i.e. as directed); and
 - (iv) if the proxy is not the chair - the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).
- (c) Transfer of non-chair proxy to chair in certain circumstances

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

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

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

ORDINARY BUSINESS

3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2021.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at <https://aqua.com>;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

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

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;

- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 Business Days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 - Adoption of the Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Company must put a resolution that the Remuneration Report as set out in the Directors' Report of the annual financial report of the Company for the financial year ending 30 June 2021 be adopted to vote at the Annual General Meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

The chair of the meeting must allow a reasonable opportunity for discussion of the Remuneration Report at the Annual General Meeting.

In accordance with the Corporations Act, if at least 25% of the votes cast on the Resolution are voted **against** adoption of the Remuneration Report in two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**) at the second annual general meeting, if at the first of those annual general meetings a Spill Resolution was not put to a vote.

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general 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 Company's annual financial report for the financial year ended immediately before the second annual general meeting) 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 is approved will be the Directors of the Company.

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this annual general meeting. The Remuneration Report sets out the 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 the Company for the financial year ending 30 June 2021.

Proxy restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directions given	No directions given
Key Management Personnel ¹	Vote as directed	Unable to vote ³

Proxy	Directions given	No directions given
Chair ²	Vote as directed	Able to vote at discretion of Proxy ⁴
Other	Vote as directed	Able to vote at discretion of Proxy

Notes:

¹ Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

² Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).

³ Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

⁴ The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

5. Resolution 2 - Re-election of Director - Mr David Crow

5.1 General

The Constitution of the Company and the Listing Rules requires that a director appointed to fill a casual vacancy must not hold office past the next annual general meeting of the entity, without re-election. Mr David Crow, who was appointed to fill a casual vacancy on 8 February 2021 offers himself for re-election and his relevant experience and skills are provided below. Accordingly, Mr David Crow resigns as a Director at this Meeting and, being eligible, seeks approval to be re-elected as a Director.

5.2 Mr David Crow

Mr David Crow is globally experienced CEO and non-executive Director, who has over 30 years' experience in senior leadership roles.

Mr Crow's career has been focused on marketing, consumer and corporate management roles in major FMCG companies across Asia, Africa and the Middle East, including as non-executive director of Zhik Pty Ltd and former managing director of British American Tobacco Australasia and South and Southern Africa.

Mr Crow has also worked in the UK and Europe with GlaxoSmithKline for six years in the early 1990s as Marketing Director and prior to that, trained and worked with Unilever in brand and trade management roles.

The Board considers Mr Crow to be an independent director.

5.3 Additional information

The Board believes that the marketing, consumer and corporate management experience of Mr Crow will be a valuable contribution to the Company and enhance the Board's ability to perform its role. For these reasons, the Board (with Mr Crow abstaining) recommends that Shareholders vote in favour of Resolution 2.

Resolution 2 is an ordinary resolution.

If Resolution 2 is passed, Mr Crow will be re-elected as a Non-Executive Director of the Company.

If Resolution 2 is not passed, Mr Crow will not be re-elected as a Non-Executive Director of the Company.

6. Resolution 3 - Re-election of Director - Mr George Commins

6.1 General

Article 10.3 of the Constitution requires that at each annual general meeting, one-third of the Directors are subject to retirement by rotation (or, if the number of Directors is not a multiple of three then the number nearest to but not exceeding one-third of the Directors must retire from office as Directors), provided that no Director where the Company has 3 or more Directors, one third of the Directors must retire at each annual general meeting. Article 10.3(f) of the Constitution provides that a Director who retires is eligible for re-election.

Accordingly, Mr George Commins resigns as a Director at this Meeting and, being eligible, seeks approval to be re-elected as a Director.

6.2 Mr George Commins

George 'Roger' Commins has 30 years' experience in the agricultural industry, including establishing and operating a diverse portfolio of enterprises. He is a director of Commins Enterprises, a company widely recognised as a regional innovator. Mr Commins is a founding member and current director of Southern Cotton - a cotton gin based in southern NSW.

The Board considers Mr Commins to be an independent director.

6.3 Additional information

The Board considers that Mr Commins has made and continues to make a significant and valuable contribution to the Company through his high level industry knowledge and experience. The Board believes that the qualifications, skill set and experience of Mr Commins will continue to enhance the Board's ability to perform its role. For these reasons, the Board (with Mr Commins abstaining) recommends that Shareholders vote in favour of Resolution 3.

Resolution 3 is an ordinary resolution.

If Resolution 3 is passed, Mr Commins will be re-elected as a Non-Executive Director of the Company.

If Resolution 3 is not passed, Mr Commins will not be re-elected as a Non-Executive Director of the Company.

7. Resolution 4 - Approval for Additional 10% Placement Facility

7.1 General

Listing Rule 7.1 limits the ability of a listed entity from issuing or agreeing to issue Equity Securities over a 12 month period which exceeds 15% of the number of fully paid ordinary Shares it had on issue at the start of the 12 month period (**Relevant Period**).

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of the number of fully paid ordinary Shares it had on the issue at the start of the Relevant

Period through placements over a 12 month period after the annual general meeting (10% Placement Facility). The 10% Placement Facility is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

Resolution 4 seeks Shareholder approval by way of a special resolution to provide the Company the ability to issue Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 8.2(f) below). The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 8.2(c) below).

7.2 Listing Rule 7.1A

(a) Is the Company an eligible entity?

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.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index based on the closing price of Shares on 12 October 2021.

(b) What Equity Securities can be issued?

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the eligible entity.

As at the date of the Notice, the Company has on issue one quoted class of Equity Securities; Shares.

(c) How many Equity Securities can be issued?

Listing Rule 7.1A.2 provides that under the approved 10% Placement Facility, the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

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

Where:

A is the number of Shares on issue 12 months before the date of issue or agreement:

(A) plus the number of fully paid Shares issued in the 12 months:

(1) under an exception in Listing Rule 7.2 (other than exception 9, 16 or 17);

(2) 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 12 month 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 7.4;

(3) under an agreement to issue securities within
Rule 7.2 exception 16 where:

- the agreement was entered into before the
12 month period; or
- the agreement or issue was approved, or taken
under the Listing Rules to be approved, under
Listing Rule 7.1 or 7.4; and

(4) with Shareholder approval under Listing Rule 7.1 or
7.4. This does not include any issue of Shares under
the Company's 15% annual placement capacity
without Shareholder approval;

(B) plus the number of partly paid shares that became fully paid
in the 12 months; and

(C) less the number of fully paid Shares cancelled in the
12 months.

Note that 'A' has the same meaning in Listing Rule 7.1 when calculating
the Company's 15% annual placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under
Listing Rule 7.1A.2 in the 12 months before the date of the issue or
agreement to issue that are not issued with Shareholder approval
under Listing Rule 7.1 or 7.4.

(d) **What is the interaction with Listing Rule 7.1?**

The Company's ability to issue Equity Securities under Listing Rule 7.1A will be
in addition to its 15% annual placement capacity under Listing Rule 7.1.

(e) **At what price can the Equity Securities be issued?**

Any Equity Securities issued under Listing Rule 7.1A must be issued for a cash
consideration per security which is not less than 75% of the VWAP of Equity
Securities in the same class calculated over the 15 Trading Days on which trades
in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be
issued is agreed by the Company and the recipient of the Equity
Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the
date in paragraph (i) above, the date on which the Equity Securities
are issued,

(Minimum Issue Price).

(f) **When can Equity Securities be issued?**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid from the date of Meeting and will expire on the earlier to occur of:

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

(10% Placement Period).

(g) What is the effect of Resolution 4

The effect of Resolution 4 will be to allow the Directors of the Company to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

If Resolution 4 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in the Listing Rules 7.1 and 7.1A during the 10% Placement Period without any further Shareholder approval.

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

7.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the 10% Placement Facility:

(a) Final date for issue

The Company will only issue the Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 7.2(f) above).

(b) Minimum issue price

Where the Company issues Equity Securities under the 10% Placement Facility, it will only do so for cash consideration and the issue price will be not less than the Minimum Issue Price (refer to Section 7.2(e) above).

(c) Purposes of issues under 10% Placement Facility

The Company may seek to issue Equity Securities under the 10% Placement Facility for cash consideration in order to raise funds for continued investment in the Company's current assets, the acquisition of new assets or investments (including expenses associated with such an acquisition), and/or for general working capital.

(d) Risk of economic and voting dilution

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount 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 Equity Securities.

If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' economic and voting power in the Company may be diluted as shown in the below table (in the case of Options, only if the Options are converted into Shares).

The below table shows the dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 (see Section 7.2(c) above) as at the date of the Notice (**Variable A**), with:

- (i) two examples where Variable A has increased, by 50% and 100%; and
- (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Number of shares on issue	Dilution			
	Issue Price (per share)	\$0.185 50% decrease in Issue Price	\$0.37 Issue Price	\$0.74 100% increase in Issue Price
572,965,768 (current)	Shares issued	57,296,577	57,296,577	57,296,577
	Funds raised	\$10,599,867	\$21,199,733	\$42,399,467
859,448,652 50% increase in current	Shares issued	85,944,865	85,944,865	85,944,865
	Funds raised	\$15,899,800	\$31,799,600	\$63,599,200
1,145,931,536 100% increase in current	Shares issued	114,593,154	114,593,154	114,593,154
	Funds raised	\$21,199,733	\$42,399,467	\$84,798,934

Notes:

1. The table has been prepared on the following assumptions:
 - (a) the issue price is the current market price \$0.37, being the closing price of the Shares on ASX on 12 October 2021, being the latest practicable date before finalising this Notice;
 - (b) Variable A is 572,965,768, comprising the number of existing Shares on issue as at the date of this Meeting, assuming the Company has not issued any Shares in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 and 7.4

- (c) the Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
 - (d) no convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities; and
 - (e) the issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Quoted Options, it is assumed that those Quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
2. The number of Shares on issue (ie Variable A) may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue, scrip issued under a takeover offer or upon exercise of convertible securities) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.
 3. 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%.
 4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
 5. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

(e) Allocation policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the following factors including but not limited to:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new investors who are not related parties of or associates of a related party of the Company.

(f) Issue of Equity Securities in the past 12 months

The Company obtained Shareholder approval under Listing Rule 7.1A at its previous annual general meeting, held on 18 December 2020.

In the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has not issued or agreed to issue any Equity Securities under Listing Rule 7.1A.

(g) **Voting exclusion statement**

At the date of the Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A and has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in any such issue.

However, in the event that between the date of the Notice and the date of the Meeting, the Company proposes to make an issue of Equity Securities under Listing Rule 7.1A to one or more existing Shareholders, those Shareholders' votes will be excluded under the voting exclusion statement in the Notice.

7.4 Additional information

Resolution 4 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).

The Board recommends that Shareholders vote in favour of Resolution 4.

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

8. Resolution 5 - Approval of issue of Incentive Options

8.1 General

The Company is proposing to issue up to 16,000,000 Options (**Incentive Options**) to each of the Directors pursuant to the Murray Cod Australia Limited Employee Incentive Scheme (**Scheme**), comprising Ross Anderson, Mathew Ryan, Martin Priestley, George Commins and David Crow, or their respective nominees, as follows:

Director	Incentive Options
Ross Anderson	5,000,000
Mathew Ryan	5,000,000
Martin Priestley	2,000,000
George Commins	2,000,000
David Crow	2,000,000
TOTAL	16,000,000

The Company is in an important stage of growth with significant opportunities and challenges in both the near and long-term, and the proposed issue seeks to align the efforts of the Directors in seeking to achieve growth of the Share price and in the creation of Shareholder value. In addition, the Board also believes that incentivising with Incentive Options is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Incentive Options to continue

to attract and maintain highly experienced and qualified Board members in a competitive market. The Incentive Options are to be issued under the Company's Scheme, the terms of which are summarised in Schedule 4.

Resolutions 5(a) to (e) (inclusive) seek Shareholder approval pursuant to Listing Rule 10.14 and section 195(4) of the Corporations Act for the issue of up to 16,000,000 Incentive Options under the Scheme to the Directors or their respective nominees.

8.2 Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme:

- (a) a Director of the Company (Listing Rule 10.14.1);
- (b) an associate of a Director of the Company (Listing Rule 10.14.2); or
- (c) a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its Shareholders (Listing Rule 10.14.3),

unless it obtains the approval of its Shareholders.

The proposed issue of the Incentive Options falls within Listing Rule 10.14.1 (or Listing Rule 10.14.2 if a Director elects for the Incentive Options to be granted to his nominee) and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolution 5(a) to (e) (inclusive) seeks the required Shareholder approval to the proposed issue under and for the purposes of Listing Rule 10.14. As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 or 10.11 is not required.

If Resolutions 5(a) to (e) (inclusive) is passed, the Company will be able to proceed with the issue of Incentive Options to the Directors (or their respective nominees) in the proportions listed above in Section 8.1.

If Resolutions 5(a) to (e) (inclusive) are not passed, the Company will not be able to proceed with the issue of the Incentive Options to the Directors (or their respective nominees and the Company will consider other forms of remuneration, including by the payment of cash, subject to the requirements of the Constitution, Corporations Act and Listing Rules.

8.3 Specific 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 the proposed issue of the Incentive Options:

- (a) The Incentive Options will be issued under the Scheme to Messrs Anderson, Ryan, Priestley, Commins and Crow (or their respective nominees), each of whom is a Director.
- (b) The Directors are related parties of the Company by virtue of being Directors and fall into the category stipulated by Listing Rule 10.14.1. If the Directors elects for the Incentive Options to be granted to their nominees, Listing Rule 10.14.2 will apply.

- (c) The maximum number of Incentive Options to be issued to the Directors (or their respective nominees) is 16,000,000, in the proportions set out in Section 8.1 above.
- (d) The current total remuneration package for each of the Directors as at the date of this Notice are set out below:

Director	Directors Salary and fees (including superannuation)
Ross Anderson	\$219,000
Mathew Ryan	\$219,000
Martin Priestley	\$30,000
George Commins	\$30,000
David Crow	\$30,000
TOTAL	\$528,000

- (e) The number of the Securities previously issued under the Scheme to the Directors (and their associates) and the average acquisition price paid for each Security (if any) is set out below:

Director	Securities	Number	Average acquisition price	Exercise price	Expiry date
Ross Anderson	Options	5,000,000	-	\$0.25	3 January 2025
Mathew Ryan	Options	5,000,000	-	\$0.25	3 January 2025
Martin Priestley	Options	2,000,000	-	\$0.25	3 January 2025
George Commins	Options	2,000,000	-	\$0.25	3 January 2025
David Crow	Options	2,000,000	-	\$0.25	3 January 2025

- (f) The Incentive Options will be exercisable at a price which is equal to 143% of the 10-Day VWAP, and expire four years after the date of issue, and otherwise be issued on the terms and conditions in Schedule 2.
- (g) The Board considers that Incentive Options, rather than Shares, are an appropriate form of incentive because the Incentive Options granted will generally only be of benefit if the Directors performs to the level whereby the value of the Company increases sufficiently to warrant exercising the Incentive Options. The issue of the Incentive Options will therefore further align the interests of the Directors with Shareholders. If all Incentive Options are exercised, it would also result in a cash injection to the Company of \$8,480,000 (assuming no cashless-exercise facility is utilised and based on a hypothetical exercise price of \$0.53 per Share calculated based on the Share price of \$0.37

(being the Share price on 12 October 2021, the latest practicable date prior to finalising this Notice).

- (h) A valuation of the Incentive Options is in Schedule 3, with a summary for each Director below:

Director	Value of Incentive Options
Ross Anderson	\$930,000
Mathew Ryan	\$930,000
Martin Priestley	\$372,000
George Commins	\$372,000
David Crow	\$372,000
TOTAL	\$2,976,000

- (i) The Incentive Options will be issued as soon as practicable following the receipt of approval at the Meeting, and in any event, no later than 12 months after the date of the Meeting.
- (j) The Incentive Options will have an issue price of nil as they will be issued as part of each Director's remuneration package.
- (k) A summary of the material terms of the Scheme is in Schedule 4.
- (l) No loan will be provided to the Directors in relation to the issue of the Incentive Options.
- (m) Details of any Securities issued under the Scheme will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Securities under the Scheme after Resolution 5(a) to (4) (inclusive) are approved and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.
- (n) A voting exclusion statement is included in the Notice.

8.4 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 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 the Incentive Options constitutes giving a financial benefit and the Directors are each a related party of the Company by virtue of being a Director.

The Board has resolved that the issue of the Incentive Options constitutes 'reasonable remuneration' in the circumstances, and therefore falls within the scope of the exception in section 211 of the Corporations Act, having sought advice from an independent remuneration consultant.

8.5 Additional information

Resolutions 5(a) to (e) (inclusive) are ordinary resolutions.

The Directors decline to make a recommendation in relation to Resolutions 5(a) to (e) (inclusive) due to their personal interest in the outcome of the Resolution.

The Chair intends to exercise all available proxies in favour of these Resolutions.

Schedule 1 - Definitions

\$ means Australian dollars.

10-Day VWAP means the VWAP traded on ASX during the 10 days on which sales in Shares were recorded on ASX ending on the day before the Meeting.

10% Placement Capacity has the meaning given in Section 7.1.

10% Placement Period has the meaning given in Section 7.2(f).

AEDT means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

Annual General Meeting means the meeting convened by the Notice of Meeting.

Annual Report means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2021.

Auditor's Report means the auditor's report on the Financial Report.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the person appointed to chair the Meeting of the Company convened by the Notice.

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

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

Company means Murray Cod Australia Limited (ACN 143 928 625).

Constitution means the Company's constitution.

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

Directors means the current directors 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 includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

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

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

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.

Listing Rules means the Listing Rules of ASX.

Material Investor means, in relation to the Company:

- (a) a related party;
- (b) Key Management Personnel;
- (c) a substantial Shareholder;
- (d) an adviser; or
- (e) an associate of the above,

who received or will receive (as applicable) Securities in the Company which constitute or constituted (as applicable) more than 1% of the Company's issued capital at the time of issue.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting.

Options means an unlisted option to acquire a Share.

Placement Shares has the meaning in Resolution 4.

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 30 June 2021.

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

Scheme means the Murray Cod Australia Ltd Employee Incentive Scheme, a summary of which is provided in Schedule 4.

Securities means any Equity Securities of the Company (including without limitation Shares, Options and/or performance rights).

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

Shareholder means a holder of a Share.

Spill Meeting has the meaning given in Section 4.

Spill Resolution has the meaning given in Section 4.

VWAP means volume weighted average price.

Schedule 2 - Terms and conditions of Incentive Options

The terms of the Incentive Options are as follows:

1. **(Entitlement):** Each Option entitles the holder to subscribe for one Share upon exercise of the Option (once vested).
1. **(Issue Price):** No cash consideration is payable for the issue of the Options.
2. **(Exercise Price):** The Options have an exercise price per Option equal to 143% of the 10-Day VWAP (**Exercise Price**).
3. **(Expiry Date):** The Options expire at 5.00 pm (WST) on the date that is 4 years after the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date. If this falls during a “Blackout Period” as defined in the Company’s securities trading policy, the Expiry Date will be 5pm (WST) on the date 10 Business Days after the last day of that Blackout Period.
4. **(Exercise Period):** The Options are exercisable at any time after it has vested and prior to the Expiry Date.
5. **(Vesting Conditions):** The Incentive Options will vest as follows, subject to the relevant Director continuing to hold the position of Director at all times until the vesting date:

Percentage of Incentive Options	Vesting date
25%	1 July 2022
25%	1 July 2023
25%	1 July 2024
25%	1 July 2025

6. **(Quotation of the Options):** The Company will not apply for quotation of the Options on ASX.
7. **(Transferability of the Options):** The Options are not transferable.
8. **(Notice of Exercise):** The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise

and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

9. **(Timing of issue of Shares on exercise):** Within 5 Business Days after the Exercise Date the Company will:
 - (a) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
10. **(Restrictions on transfer of Shares):** If the Company is required but unable to give ASX a notice under paragraph 10(b), or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of Options may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.
11. **(Shares issued on exercise):** Shares issued on exercise of the Options will rank equally with the then Shares of the Company.
12. **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
13. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
14. **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment, the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue.
15. **(Cessation of employment):** Where the holder (or the person who is entitled to be registered as the holder) of the Options is no longer employed, or their engagement is discontinued (for whatever reason), with the Company, any unexercised Options will automatically lapse and be forfeited on the date that is 3 months from the cessation of that engagement, unless the Board otherwise determines in its sole discretion.

Schedule 3 - Valuation of Incentive Options

The Incentive Options to be issued to the pursuant to Resolution 5(a) to (e) (inclusive) have been valued using the Black & Scholes valuation model on the following assumptions:

Non-Executive Director	Ross Anderson	Mathew Ryan	Martin Priestley	George Commins	David Crow
Number of Incentive Options	5,000,000	5,000,000	2,000,000	2,000,000	2,000,000
Valuation date	13/10/21	13/10/21	13/10/21	13/10/21	13/10/21
Assumed Share price at grant date	\$0.37	\$0.37	\$0.37	\$0.37	\$0.37
Exercise price	\$0.53	\$0.53	\$0.53	\$0.53	\$0.53
Market value on ASX of underlying Shares at the time of setting the exercise price	\$0.37	\$0.37	\$0.37	\$0.37	\$0.37
Exercise price premium to market value	43%	43%	43%	43%	43%
Expiry date	4 years from grant date	4 years from grant date	4 years from grant date	4 years from grant date	4 years from grant date
Expected volatility	80%	80%	80%	80%	80%
Risk free interest rate	0.43%	0.43%	0.43%	0.43%	0.43%
Annualised dividend yield	Nil	Nil	Nil	Nil	Nil
Value of each Incentive Option	\$0.186	\$0.186	\$0.186	\$0.186	\$0.186
Aggregate value of Incentive Option	\$930,000	\$930,000	\$372,000	\$372,000	\$372,000

Schedule 4 - Summary of Employee Incentive Scheme

The Company has established an employee incentive scheme (**Scheme**). The full terms of the Scheme may be inspected at the registered office of the Company during normal business hours.

16. Eligible Participant

Eligible Participant means a person that:

- (a) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
- (b) has been determined by the Board to be eligible to participate in the Scheme from time to time.

17. Purpose

The purpose of the Scheme is to:

- (a) assist in the reward, retention and motivation of Eligible Participants;
- (b) link the reward of Eligible Participants to Shareholder value creation; and
- (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

18. Scheme administration

The Scheme will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Scheme rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

19. Eligibility, invitation and application

- (a) The Board may from time to time determine that an Eligible Participant may participate in the Scheme and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.
- (b) On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.
- (c) If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

20. Grant of Securities

The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Scheme rules and any ancillary documentation required.

21. Terms of Convertible Securities

Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Scheme.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

22. Vesting of Convertible Securities

Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

23. Exercise of Convertible Securities and cashless exercise

To exercise an Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Scheme rules, or such earlier date as set out in the Scheme rules.

24. Delivery of Shares on exercise of Convertible Securities

As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Scheme rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

25. Forfeiture of Convertible Securities

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

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

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

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

26. Change of control

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event, subject to complying with the Listing Rules.

27. Rights attaching to Scheme Shares

All Shares issued under the Scheme, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Scheme Shares**) will rank *pari passu* in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Scheme Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Scheme Shares. A Participant may exercise any voting rights attaching to Scheme Shares.

28. Disposal restrictions on Scheme Shares

If the invitation provides that any Scheme Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Scheme Share is subject to any disposal restrictions under the Scheme, the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Scheme Share; or
- (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

29. Adjustment of Convertible Securities

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

30. Participation in new issues

There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

31. Amendment of Scheme

Subject to the following paragraph, the Board may at any time amend any provisions of the Scheme rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Scheme and determine that any amendments to the Scheme rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Scheme rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

32. Scheme duration

The Scheme continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Scheme for a fixed period or indefinitely, and may end any suspension. If the Scheme is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

* If you mark the Abstain box for a particular Resolution, 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.

Authorised signature/s

This section *must* be signed in accordance with the instructions below to enable your voting instructions to be implemented.

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

Individual or Shareholder 1	Shareholder 2	Shareholder 3
<div style="border: 1px solid black; width: 200px; height: 20px;"></div>	<div style="border: 1px solid black; width: 200px; height: 20px;"></div>	<div style="border: 1px solid black; width: 200px; height: 20px;"></div>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary
_____	_____	_____
Contact Name	Contact Daytime Telephone	Date

¹Insert name and address of Shareholder

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

- Joint Holding: where the holding is in more than one name all of the holders should sign.
- Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.
- Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the address below no later than 48 hours prior to the time of commencement of the Meeting (AEDT).

Business address: Level 1, 153 Yambil Street, Griffith NSW 2680

Postal address: PO Box 763, Griffith, NSW 2680

Email: by scan and email to companysecretary@aquana.com.