
VOLT POWER GROUP LIMITED

ACN 009 423 189

NOTICE OF ANNUAL GENERAL MEETING

The 2021 Annual General Meeting of the Company will be held at the offices of BDO, Ground Floor, 38 Station Street, Subiaco, Western Australia on Friday, 7 May 2021 at 10.30am (AWST).

This Notice of Meeting and accompanying Explanatory Memorandum and Proxy Form should be read in their 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 Managing Director by telephone on +61 8 439 888 103.

VOLT POWER GROUP LIMITED

ACN 009 423 189

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2021 Annual General Meeting of Shareholders of Volt Power Group Limited ACN 009 423 189 (**Company**) will be held at the offices of BDO, Ground Floor, 38 Station Street, Subiaco, Western Australia on Friday, 7 May 2021 at 10.30am (AWST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this 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 on Wednesday, 5 May 2021 at 5pm (AWST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Section 11.

AGENDA

FINANCIAL REPORTS

To receive and consider the annual Financial Report, the Directors' Report and the Auditor's Report of the Company and its controlled entities for the financial year ended 31 December 2020, which are contained within the Annual Report.

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

1 RESOLUTION 1 – REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following as a **non-binding resolution**:

"That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, approval is given by Shareholders for the adoption of the Remuneration Report as contained in the Company's Annual Report for the financial year ended 31 December 2020."

The vote on this Resolution is advisory only and does not bind the Directors or the Company. However, the Directors will consider the outcome of the vote and all comments received from Shareholders on the Remuneration Report when forming the Company's remuneration policies.

Voting Prohibition

A vote on this Resolution must not be cast by or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons (each a **voter**) as proxy if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the voter is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy

even though this Resolution is connected with the remuneration of members of the Key Management Personnel.

2 RESOLUTION 2 – RE-ELECTION OF MR PETER TORRE AS A DIRECTOR

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

“That, pursuant to and in accordance with clause 13.2 of the Constitution and for all other purposes, Mr Peter Torre, retires by rotation and, being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.”

3 RESOLUTION 3 – APPROVAL OF INCENTIVE OPTION SCHEME

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

“That, pursuant to and in accordance with Listing Rule 7.2 (Exception 13) and for all other purposes, the Company’s long term incentive plan, being the Incentive Option Scheme, the issue of any Options under the Incentive Option Scheme and any resulting issues of underlying Shares, be approved.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is eligible to participate in the Company’s Incentive Option Scheme or an associate of any of those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a Shareholder 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 Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - (ii) the Shareholder votes on this Resolution in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

Voting Prohibition

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

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

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and

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

4 RESOLUTION 4 – RATIFICATION OF ISSUE OF OPTIONS

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

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the prior issue by the Company of 180,000,000 Options to Mr Tim Banner on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Tim Banner or an associate of Mr Tim Banner.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a Shareholder 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 Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - (ii) the Shareholder votes on this Resolution in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

5 RESOLUTION 5 – ISSUE OF OPTIONS TO A DIRECTOR - MR ADAM BOYD

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

"That, pursuant to and in accordance with Listing Rule 10.14, Part 2D.2 of the Corporations Act (including sections 200B and 200E of the Corporations Act), Chapter 2E of the Corporations Act (including section 208 of the Corporations Act) and for all other purposes, Shareholders approve the issue of 300,000,000 Options under the Incentive Option Scheme to Mr Adam Boyd (and/or his nominee(s)), on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any Director who is eligible to participate in the Incentive Option Scheme (including Mr Adam Boyd), or an associate of those persons.

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

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

- (b) the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- (c) a Shareholder 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 Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - (ii) the Shareholder votes on this Resolution in accordance with directions given by the beneficiary to the Shareholder to vote in that way.

Voting Prohibitions

A vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr Adam Boyd or his nominee(s) or any of his, or their, associates. However, subject to the voting exclusion above and the further voting prohibition below, this does not prevent the casting of a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on this Resolution; and
- (b) it is not cast on behalf of Mr Adam Boyd or his nominee(s) or any of his, or their, associates.

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

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

However, the above prohibition does not apply if:

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

6 RESOLUTION 6 – ISSUE OF OPTIONS TO A DIRECTOR - MR SIMON HIGGINS

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

"That, pursuant to and in accordance with Listing Rule 10.14, Part 2D.2 of the Corporations Act (including sections 200B and 200E of the Corporations Act), Chapter 2E of the Corporations Act (including section 208 of the Corporations Act) and for all other purposes, Shareholders approve the issue of 90,000,000 Options under the Incentive Option Scheme to Mr Simon Higgins (and/or his nominee(s)), on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any Director who is eligible to participate in the Incentive Option Scheme (including Mr Simon Higgins), or an associate of those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- (c) a Shareholder 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 Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - (ii) the Shareholder votes on this Resolution in accordance with directions given by the beneficiary to the Shareholder to vote in that way.

Voting Prohibitions

A vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr Simon Higgins or his nominee(s) or any of his, or their, associates. However, subject to the voting exclusion above and the further voting prohibition below, this does not prevent the casting of a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on this Resolution; and
- (b) it is not cast on behalf of Mr Simon Higgins or his nominee(s) or any of his, or their, associates.

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

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

However, the above prohibition does not apply if:

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

7 RESOLUTION 7 – ISSUE OF OPTIONS TO A DIRECTOR - MR PETER TORRE

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

"That, pursuant to and in accordance with Listing Rule 10.14, Part 2D.2 of the Corporations Act (including sections 200B and 200E of the Corporations Act), Chapter 2E of the Corporations Act (including section 208 of the Corporations Act) and for all other purposes, Shareholders approve the issue of 90,000,000 Options under the Incentive Option Scheme to Mr Peter Torre (and/or his nominee(s)), on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any Director who is eligible to participate in the Incentive Option Scheme (including Mr Peter Torre), or an associate of those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- (c) a Shareholder 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 Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - (ii) the Shareholder votes on this Resolution in accordance with directions given by the beneficiary to the Shareholder to vote in that way.

Voting Prohibitions

A vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr Peter Torre or his nominee(s) or any of his, or their, associates. However, subject to the voting exclusion above and the further voting prohibition below, this does not prevent the casting of a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on this Resolution; and
- (b) it is not cast on behalf of Mr Peter Torre or his nominee(s) or any of his, or their, associates.

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

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

However, the above prohibition does not apply if:

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

8 RESOLUTION 8 – APPROVAL OF TERMINATION BENEFITS

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

*“That, pursuant to and in accordance with Part 2D.2 of the Corporations Act (including sections 200B and 200E of the Corporations Act), Listing Rule 10.19 and for all other purposes, Shareholders approve the giving of benefits detailed in the Explanatory Memorandum to any person who from time to time is or has been a member of the Key Management Personnel or holds or has held a managerial or executive office in the Company or a related body corporate (**Relevant Personnel**), in connection with that person ceasing to hold that managerial or executive office. This approval applies for such benefits given in the period prior to the conclusion of the third annual general meeting of the Company after the date on which this Resolution 8 is passed.”*

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of an officer of the Company or any of its child entities who is entitled to participate in a termination benefit, or an associate of those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a Shareholder 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 Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - (ii) the Shareholder votes on the Resolution in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

Voting Prohibitions

Any Shareholder who is:

- (a) Relevant Personnel (as detailed in this Resolution 8) or may become Relevant Personnel in the future; or
- (b) an associate of Relevant Personnel or of a person who may become Relevant Personnel in the future,

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

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

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

However, the above prohibition does not apply if:

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

9 RESOLUTION 9 – SECTION 195 APPROVAL

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

"That, pursuant to and in accordance with subsection 195(4) of the Corporations Act and for all other purposes, Shareholders approve the transactions contemplated in Resolutions 5, 6, 7 and 8"

Voting Prohibition

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

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

However, the above prohibition does not apply if:

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

Dated 22 March 2021

BY ORDER OF THE BOARD



Peter Torre
Director / Company Secretary

VOLT POWER GROUP LIMITED

ACN 009 423 189

EXPLANATORY MEMORANDUM

1 INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the offices of BDO, Ground Floor, 38 Station Street, Subiaco, Western Australia on Friday 7 May 2021 at 10.30am (AWST) (**Meeting**).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

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

2 ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on each Resolution.

2.1 Proxies

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. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

To be valid, your Proxy Form (and any power of attorney under which it is signed) must be received at any of the addresses given below by 10:30am (**AWST**) on **Wednesday, 5 May 2021**, being at least 48 hours before the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Online: at www.linkmarketservices.com.au

By Mail: Volt Power Group Limited
c/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

By Fax: +61 2 9287 0309

By Hand: Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

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

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

- (c) 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.

By appointing the Chair as a proxy (or where the Chair becomes proxy by default) the relevant Shareholder gives the Chair express authority to exercise the proxy on Resolutions 1, 3 and 5 to 9 (except where the Shareholder has indicated a different voting intention on the Proxy Form) even though Resolutions 1, 3 and 5 to 9 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

3 FINANCIAL REPORTS

The Corporations Act requires the annual Financial Report, Directors' Report, and the Auditor's Report to be received and considered at the AGM. A copy of the Annual Report can be accessed online at <https://voltpower.com.au/>.

The Corporations Act does not require Shareholders to vote on the Annual Report. However, Shareholders attending the AGM will be given a reasonable opportunity to ask questions about, or make comments on, the financial statements and reports contained within the Annual Report and on the management of the Company.

The Company's auditor, BDO Audit (WA) Pty Ltd, will be present at the Meeting and Shareholders will have the opportunity to ask the auditor questions in relation to the conduct of the audit, the preparation and content of the Auditor's Report, the Company's accounting policies and the independence of the auditor in relation to the conduct of the audit.

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 content of the Auditor's Report; and
- (b) the conduct of the audit of the Financial Report,

may be submitted no later than 5 business days before the Meeting to the Company's Company Secretary at the Company's registered office at Unit B9, 431 Roberts Road, Subiaco Western Australia 6008.

4 RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

4.1 General

The Remuneration Report forms part of Directors' Report in the Company's 2020 Annual Report. In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the remuneration arrangements for the Directors and senior management of the Company in a manner that is intended to be transparent and easy to understand for Shareholders.

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

The Chair intends to exercise all available undirected proxies in favour of Resolution 1.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention,

even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

4.2 Voting consequences

As prescribed under the Corporations Act, Shareholders will have the opportunity to remove the whole Board except the Managing Director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution (**Spill Resolution**) on whether another meeting should be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

Please note if the Remuneration Report receives a Strike at this Meeting and if a second Strike is received at the next annual general meeting, this may result in the re-election of the Board (other than the Managing Director).

4.3 Previous voting results

The Company's Remuneration Report was approved at the 2020 annual general meeting and votes cast against the remuneration report were less than 25%. Accordingly, a Spill Resolution is not applicable for the purpose of this Meeting.

5 RESOLUTION 2 – RE-ELECTION OF MR PETER TORRE AS A DIRECTOR

5.1 General

Article 13.2 of the Constitution requires one third of all Directors, or if their number is not a multiple of three, then the number nearest one-third (rounded up to the nearest whole number) to retire at each annual general meeting.

A Director who retires under Article 13.2 of the Constitution is eligible for re-election.

Resolution 2 therefore provides that Mr Peter Torre retire by rotation and seek re-election as Director.

The Chair intends to exercise all available undirected proxies in favour of Resolution 2.

5.2 Experience, special responsibilities and other ASX-listed directorships

Mr Torre was re-appointed Company Secretary of the Company in November 2019, and has been a Director of the Company since April 2017.

Mr Torre holds a bachelor of business, is a Chartered Accountant, a Chartered Secretary and a member of the Australian Institute of Company Directors. Mr Torre was previously a partner of an internationally affiliated firm of Chartered Accountants.

Mr Torre is the Company Secretary of four other ASX listed companies.

Mr Torre is currently a non-executive director of Mineral Commodities Ltd (ASX Code: MRC), VEEM Ltd (ASX Code: VEE) and Connexion Telematic Ltd (ASX Code: CXZ). Mr Torre was previously a director of Zenith Energy Limited, resigning in September 2020.

If re-elected, the Board does not consider Peter Torre will be an independent Director due to his ongoing and prior role as Company Secretary.

5.3 Board Recommendations

The Board (excluding Mr Torre) supports the re-election of Mr Torre, as his skills and experience align with the Company's strategic direction, and recommends that Shareholders vote in favour of Resolution 2.

6 RESOLUTION 3 – APPROVAL OF THE INCENTIVE OPTION SCHEME

6.1 General

Resolution 3 seeks the Shareholders' approval of the Incentive Option Scheme (in the form as summarised in Schedule 1) and the issue of securities under the Incentive Option Scheme, for all purposes, including Listing Rule 7.2, Exception 13. The securities issued under the Incentive Option Scheme will be exempted from Listing Rule 7.1 for a period of 3 years from the date on which Resolution 3 is passed.

The objective of the Incentive Option Scheme is to appropriately motivate, retain and reward directors, management and employees for driving long term growth and performance of the Company by allowing them to participate in equity in the Company and ultimately aligning their interest with that of the Shareholders. The Incentive Option Scheme has been approved by the Board.

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

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 3, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

6.2 Listing Rules 7.1 and 7.2, Exception 13

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

Listing Rule 7.2, Exception 13, operates as one of the exceptions to Listing Rule 7.1. The effect of Shareholder approval under Listing Rule 7.2, Exception 13, is that any issues of securities under the Incentive Option Scheme are treated as having been made with the approval of Shareholders for the purposes of Listing Rule 7.1. Approval under Listing Rule 7.2, Exception 13, lasts for a period of three years.

If Resolution 3 is passed, the Company will be able to issue securities to Eligible Participants under the Incentive Option Scheme without using up any of the Company's 15% Placement Capacity and without Shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the Company may still issue securities under the Incentive Option Scheme but any issue without Shareholder approval will reduce, to that extent, the Company's capacity to issue Equity Securities under Listing Rule 7.1 for 12 months following the issue. This may limit the Company's ability to utilise the Incentive Option Scheme without additional Shareholder approval.

6.3 Specific Information Required by Listing Rule 7.2

In accordance with the requirements of Listing Rule 7.2, Exception 13, the following information is provided:

- (a) A summary of the material terms of the Incentive Option Scheme is set out in Schedule 1.

- (b) The number of securities which have been issued under the Incentive Option Scheme as at the date of this Notice is the 180,000,000 Options the subject of Resolution 4. The Incentive Option Scheme has not previously been approved by Shareholders.
- (c) The maximum number of securities proposed to be issued under the Incentive Option Scheme within the three year period from the date of the passing of Resolution 3 is 450 million securities (excluding the proposed issues of Options pursuant to Resolutions 5, 6 and 7). The maximum number is not intended to be a prediction of the actual number of securities to be issued under the Incentive Option Scheme, but instead is simply a ceiling for the purposes of Listing Rule 7.2 (Exception 13(b)).
- (d) A voting exclusion statement has been included in the Notice for Resolution 3.

6.4 Board Recommendation

Resolution 3 deals with remuneration of Key Management Personnel, and in light of the provisions in the Corporations Act relating to voting by Key Management Personnel and their Closely Related Parties on such remuneration related resolutions, the Directors have abstained from making a recommendation to Shareholders about how to vote on Resolution 3.

7 RESOLUTION 4 – RATIFICATION OF ISSUE OF OPTIONS

7.1 Background

On 4 March 2021, the Company issued 180,000,000 Options to Mr Tim Banner under the Incentive Option Scheme, as a component of his remuneration designed to incentivise him and to align his interests with the interests of Shareholders.

Resolution 4, seeks the Shareholders' ratification and approval of the prior issue by the Company of those Options to Mr Tim Banner, the Company's Lead Process Engineer, for the purpose of Listing Rule 7.4 and for all other purposes.

7.2 Listing Rules 7.1 and 7.4

Listing Rule 7.1 is summarised at Section 6.2 above. The issue of the Options did not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by the Shareholders, that issue effectively uses up part of the 15% Placement Capacity in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue date of the Options.

Listing Rule 7.4 provides that an issue of, or agreement to issue, securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if each of the following apply:

- (a) the issue or agreement did not breach rule 7.1; and
- (b) the holders of the entity's ordinary securities subsequently approve it.

The Company confirms that the issue of the 180,000,000 Options to Mr Tim Banner did not breach Listing Rule 7.1, as they were issued utilising part of the Company's 15% Placement Capacity.

The effect of passing Resolution 4 will be to allow the Company to retain the flexibility issue securities in the future up to the full 15% Placement Capacity set out in Listing Rule 7.1, without obtaining prior Shareholder approval.

If Resolution 4 is not passed, the 180,000,000 Options issued to Mr Banner will continue to reduce the 15% Placement Capacity in accordance with Listing Rule 7.1, effectively decreasing the number of Equity Securities which the Company can issue without Shareholder approval over the 12 month period following the date of issue of such Options.

Resolution 4 is an ordinary resolution.

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

7.3 Specific information required by Listing Rule 7.5

In accordance with Listing Rule 7.5, information is provided in relation to the issue of Options the subject of Resolution 4 as follows:

- (a) 180,000,000 Options were issued on 4 March 2021 to Mr Tim Banner.
- (b) The material terms of the Options which were issued to Mr Tim Banner and are the subject of Resolution 4 are set out in Schedule 3. No other agreement was entered into by the Company with Mr Banner in relation to those Options.
- (c) The Options were issued to Mr Banner for nil cash consideration (i.e. nil issue price), in consideration for his services to the Company.
- (d) The purpose of the issue was as a component of Mr Banner's remuneration and to incentivise him and align his interests with the interests of Shareholders.
- (e) No funds were raised from the issue of the Options to Mr Banner.
- (f) A voting exclusion statement is included in the Notice for Resolution 4.

7.4 Board Recommendation

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

8 RESOLUTIONS 5, 6 AND 7 – ISSUE OF OPTIONS TO DIRECTORS

8.1 General

As detailed in Section 6, the Board has adopted the Incentive Option Scheme as part of its ongoing efforts to develop a Board and executive remuneration framework appropriate for the Company's current activities and intended to be aligned with best practice as well as accepted corporate governance principles.

In accordance with Listing Rule 10.14, Part 2D.2 of the Corporations Act (including sections 200B and 200E of the Corporations Act), Chapter 2E of the Corporations Act (including section 208 of the Corporations Act) and for all other purposes, Resolutions 5, 6 and 7 seek Shareholder approval for the issue of the following Options to each of the following Directors (and/or their respective nominee(s)) under the Company's Incentive Option Scheme:

- (a) 300,000,000 Options to Mr Adam Boyd, the Company's CEO and Managing Director (Resolution 5);
- (b) 90,000,000 Options to Mr Simon Higgins, a Non-Executive Director of the Company (Resolution 6); and
- (c) 90,000,000 Options Mr Peter Torre, a Non-Executive Director and Company Secretary of the Company (Resolution 7).

The primary purpose of the grant of the Options to the Directors is to provide a performance-linked incentive component in the remuneration package for the Directors to commercially align Directors' interests with the Company's shareholders and to motivate and reward the performance of the Directors for creating shareholder value by the achievement of increases in the price of the Company's shares.

Refer to Schedule 2 for the terms and conditions of the Options the subject of Resolutions 5, 6 and 7.

The Chair intends to exercise all available undirected proxies in favour of Resolutions 5, 6 and 7.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolutions 5, 6 and 7, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

8.2 Section 200B of the Corporations Act

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

In accordance with section 200B of the Corporations Act, to give a benefit in connection with a person's retirement from a managerial or executive office, the Company must obtain Shareholder approval in the manner set out in section 200E of the Corporations Act.

The Options proposed to be issued pursuant to Resolutions 5, 6 and 7 may, automatically or subject to the Board's discretion, vest upon termination of Mr Boyd's, Mr Higgins' and Mr Torre's engagement with the Company. The Board has formed the view that, should this occur, the affected Options may constitute a benefit in connection with the Directors' retirement from office under section 200B of the Corporations Act.

Section 200B of the Corporations Act applies where the benefit is given to, among other persons, a person whose details were included in the Directors' Report for the previous financial year. The Directors' details were included in the Directors' Report in the Company's Annual Report for the financial year ended 31 December 2020. The Company is therefore seeking Shareholder approval under section 200B of the Corporations Act in connection with potential vesting of the Options proposed to be granted to Mr Boyd, Mr Higgins and Mr Torre pursuant to Resolutions 5, 6 and 7.

Approval is also sought in relation to other Potential Retirement Benefits which may eventuate in relation to the Options proposed to be granted to Mr Boyd, Mr Higgins and Mr Torre pursuant to Resolutions 5, 6 and 7.

8.3 Specific Information Required by Section 200E of the Corporations Act

The following additional information is provided for the purposes of obtaining Shareholder approval for the purposes of section 200E of the Corporations Act:

- (a) The amount or value of the benefit relating to the Options pursuant to Resolutions 5, 6 and 7 to be held by Mr Boyd, Mr Higgins and Mr Torre (and/or their nominee(s)) which may arise in connection with their retirement from a managerial or executive office cannot presently be ascertained. However, matters, events and circumstances that will, or are likely to affect the calculation of that amount or value include:
 - (i) the number of Options held prior to ceasing employment or engagement with the Company or its related bodies corporate;
 - (ii) the outstanding conditions (if any) of vesting and exercise of the Options and the number that the Board determines to (or which automatically) vest, lapse or leave on foot;
 - (iii) the circumstances of, or reasons for the Director, ceasing employment or engagement with the Company or its related bodies corporate and the extent to which they served the applicable notice period;
 - (iv) the length of service with the Company or its related bodies corporate and performance over that period of time;
 - (v) the applicable performance measures and the achievement of such measures (and the personal performance and contributions of the Directors);

- (vi) the portion of the relevant performance periods for Options that have expired at the time Mr Boyd, Mr Higgins or Mr Torre ceases employment or engagement;
 - (vii) any other factors that the Board determines to be relevant when exercising its discretion to provide Potential Retirement Benefits to the Directors;
 - (viii) the manner in which the Board exercises its discretions;
 - (ix) the market price of the Company's Shares on ASX at the relevant time when the amount or value of the Options is determined;
 - (x) the exercise price of the Options;
 - (xi) any changes in law; and
 - (xii) the risk free rate of return in Australia and the estimated volatility of the Company's Shares on ASX at the relevant time.
- (b) The Company will calculate the value of the benefit at the relevant time based on the above factors and using the Black Scholes valuation model to value the Options, where appropriate.

8.4 Chapter 2E of the Corporations Act

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

- (a) obtain the approval of its shareholders 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.

“Financial benefit” has a wide meaning and includes the issue of securities by a public company. The issue of the Options (and their exercise or conversion into Shares) constitutes giving a financial benefit and Mr Boyd, Mr Higgins and Mr Torre are related parties of the Company by virtue of them each being a Director.

Given that each of the Directors is the subject of separate Resolutions seeking approvals to issue them with Options under this Notice, they have chosen to abstain from making a determination of whether the exceptions set out in sections 210 to 216 of the Corporations Act apply in the current circumstances to Resolutions 5, 6 and 7. Accordingly, Shareholder approval is sought under section 208 of the Corporations Act for those Resolutions.

8.5 Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not permit a director or an associate of any of the following persons to acquire securities under an employee incentive scheme without the approval of shareholders:

- (a) a director of the company;
- (b) an associate of a director of the company; or
- (c) a person whose relationship with the entity or a person referred to in (a) or (b) above is, in ASX's opinion, such that the acquisition should be approved by its shareholders.

The issue of the Options to the Directors (and/or their nominee(s)) falls within Listing Rule 10.14.1, as Mr Boyd, Mr Higgins and Mr Torre are Directors of the Company. The proposed issues of Options to the Directors therefore require the approval of the Company's Shareholders under Listing Rule 10.14.

Resolutions 5, 6 and 7 seek the required Shareholder approval, pursuant to Listing Rule 10.14.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required. Accordingly, if Resolutions 5, 6 and 7 are passed, the grant of Options to the Directors pursuant to these Resolutions will not reduce the Company's 15% Placement Capacity for the purposes of Listing Rule 7.1.

If Resolutions 5, 6 and 7 are passed, the Company will be able to proceed with the issue of the Options to the Directors (and/or their nominee(s)).

If Resolutions 5, 6 and 7 are not passed, the Company will not be able to proceed with the issue of the Options to the Directors (and/or their nominee(s)) and may consider alternative forms of remuneration for the Directors. Resolutions 5, 6 and 7 are not interconditional.

8.6 Specific information required by Chapter 2E of the Corporations Act and Listing Rule 10.15

The following additional information is provided to Shareholders for the purposes of Resolutions 5, 6 and 7:

- (a) The Options will be granted to Mr Adam Boyd (or his nominee(s), as applicable), Mr Simon Higgins (or his nominee(s), as applicable), and Mr Peter Torre (or his nominee(s), as applicable).
- (b) Messrs Boyd, Higgins and Torre each fall within the category in Listing Rule 10.14.1, as Directors of the Company, and any party they respectively nominate to receive Options would be expected to fall within the category in Listing Rule 10.14.2 as an associate of the relevant nominating Director.
- (c) Mr Boyd (or his nominee(s)) will, subject to Resolution 5 being passed, be granted 300,000,000 Options as follows:

| Tranche | Number of Options | Exercise Price per Option | Exercise Conditions | Expiry Date |
|-----------|-------------------|------------------------------|--|--------------------------------|
| Tranche 1 | 100,000,000 | Issue Date Share Price + 34% | The Options will vest upon Mr Boyd having been continually employed by the Company for the first 6 months after the Issue Date. | 24-months after the Issue Date |
| Tranche 2 | 100,000,000 | Issue Date Share Price + 43% | The Options will vest upon satisfaction of the following conditions prior to the Expiry Date: <ol style="list-style-type: none"> 1. Mr Boyd having been an employee or director of, or otherwise rendering services to, the Company (each an Office) continually for the first 12 months after the Issue Date; and 2. commencement of first construction works activity on a construction site pursuant to the First ATEN EPC Contract. | 36-months after the Issue Date |
| Tranche 3 | 100,000,000 | Issue Date Share Price + 50% | The Options will vest upon satisfaction of the following conditions prior to the Expiry Date: | 48-months after the Issue Date |

| Tranche | Number of Options | Exercise Price per Option | Exercise Conditions | Expiry Date |
|---------|-------------------|---------------------------|---------------------|-------------|
|---------|-------------------|---------------------------|---------------------|-------------|

1. Mr Boyd having held an Office continually for the first 12 months after the Issue Date; and
2. there being a 180 Day VWAP of at least \$0.006 per Share.

- (d) Mr Higgins and Mr Torre (or their respective nominee(s)) will, subject to, in the case of Mr Higgins, Resolution 6 being passed and, in the case of Mr Torre, Resolution 7 being passed, each be granted 90,000,000 Options as follows:

| Tranche | Number of Options | Exercise Price per Option | Exercise Conditions | Expiry Date |
|-----------|-------------------|------------------------------|--|--------------------------------|
| Tranche 1 | 30,000,000 | Issue Date Share Price + 34% | The Options will vest upon the relevant Director (Mr Higgins or Mr Torre, as applicable) having held an Office continually for the first 6 months after the Issue Date. | 24-months after the Issue Date |
| Tranche 2 | 30,000,000 | Issue Date Share Price + 43% | The Options will vest upon satisfaction of the following conditions prior to the Expiry Date: <ol style="list-style-type: none"> 1. the relevant Director (Mr Higgins or Mr Torre, as applicable) having held an Office continually for the first 12 months after the Issue Date; and 2. commencement of first construction works activity on a construction site pursuant to the First ATEN EPC Contract. | 36-months after the Issue Date |
| Tranche 3 | 30,000,000 | Issue Date Share Price + 50% | The Options will vest upon satisfaction of the following conditions prior to the Expiry Date: <ol style="list-style-type: none"> 1. the relevant Director (Mr Higgins or Mr Torre, as applicable) having held an Office continually for the first 12 months after the Issue Date; and 2. there being a 180 Day VWAP of at least \$0.006 per Share. | 48-months after the Issue Date |

- (e) The exercise price per option is set out in the tables above. There is also a cashless exercise alternative detailed in paragraph 6 in Schedule 2.
- (f) The Company will issue the Options the subject of Resolutions 5, 6 and 7 no later than three years after the date of the Meeting or such longer period of time as ASX allows.
- (g) Mr Boyd, Mr Higgins and Mr Torre are related parties of the Company, as they are Directors.

- (h) The Options will be granted for nil cash consideration (i.e. nil issue price) and as such, no funds will be raised by the grant of the Options.
- (i) The terms and conditions of the Options the subject of Resolutions 5, 6 and 7 are detailed in Schedule 2.
- (j) Mr Boyd holds 1,598,000,000 fully paid ordinary shares in the Company and 175,000,000 options exercisable at \$0.002 each, expiring on 23 May 2021. Mr Boyd's existing shareholding represents a 17.43% ownership interest in the Company (on an undiluted basis).
- (k) Mr Higgins holds 801,000,000 fully paid ordinary shares in the Company. Mr Higgins' existing shareholding represents an 8.74% ownership interest in the Company (on an undiluted basis).
- (l) Mr Torre holds 55,000,000 fully paid ordinary shares in the Company. Mr Torre's existing shareholding represents a 0.60% ownership interest in the Company (on an undiluted basis).
- (m) No securities have previously been issued under the Incentive Option Scheme to Messrs Boyd, Higgins and Torre.
- (n) The following table sets out the remuneration of each of the Directors for the Years ended 31 December 2019 and 2020. These remuneration arrangements remain unchanged for the financial year ending 31 December 2021, other than for the proposal to additionally issue the Options pursuant to Resolutions 5, 6 and 7.

| | Year | Salary & Fees \$ | Options \$ | Total \$ |
|---------------|------|---------------------|---------------|-------------|
| Adam Boyd | 2020 | 360,000 | - | 360,000 |
| | 2019 | 360,000 | 25,201 | 385,201 |
| Simon Higgins | 2020 | 50,000 | - | 50,000 |
| | 2019 | 50,000 | - | 50,000 |
| Peter Torre | 2020 | 39,960 | - | 39,960 |
| | 2019 | 39,960 | - | 39,960 |

- (o) The Board has received independent advice from HLB Mann Judd on the value per Option of the Options which is detailed in the Table below:

| | Number of Options | Independent indicative valuation Per Option (\$) | Total indicative value (\$) |
|-----------------------------|-------------------|--|--------------------------------------|
| Adam Boyd | | | |
| Tranche 1 | 100,000,000 | 0.00179 | 179,000 |
| Tranche 2 | 100,000,000 | 0.00218 | 218,000 |
| Tranche 3 | 100,000,000 | 0.00245 | 245,000 |
| Simon Higgins / Peter Torre | | | |
| Tranche 1 | 30,000,000 | 0.00179 | 53,700 |
| Tranche 2 | 30,000,000 | 0.00218 | 65,400 |
| Tranche 3 | 30,000,000 | 0.00245 | 73,500 |

- (p) The independent advice applied the Black Scholes option valuation model to determine the value per Option based on the assumptions set out below.

- (q) This valuation imputes a total value of \$286,400 to the Tranche 1 Options, \$348,800 to the Tranche 2 Options, and \$392,000 to the Tranche 3 Options being a total value of \$1,027,200. The value may go up or down after the date of valuation as it will depend on the future price of a Share and the ultimate exercise prices for the tranches Options (which are not yet known, as the exercise prices are to be determined based on the formulae detailed in paragraph (d) above). The Black Scholes Pricing Model has been used to value the Options, with the following assumptions:
- (i) the risk free rate applied for each tranche of Options of 0.12%, 0.13% and 0.575% respectively comprising the Reserve Bank of Australia's 2, 3 and 4-year bond rates;
 - (ii) the underlying security spot price of \$0.004 used for the purposes of this valuation is based on the share price of the Company on the day of the valuation;
 - (iii) the estimated volatility used in the valuation is 100%;
 - (iv) for the purposes of the valuation, no future dividend payments have been forecast;
 - (v) the expiry date of Tranche 1 Options would be 24 months after the Issue Date, the expiry date of Tranche 2 Options would be 36 months after the Issue Date and the expiry date of Tranche 3 Options would be 48 months after the Issue Date;
 - (vi) for the purposes of the valuation it is assumed that the Options were issued on the date of the valuation, being 8 March 2021, and accordingly the assumed exercise prices of the Options are \$0.00536 for the Tranche 1 Options, \$0.00572 for the Tranche 2 Options and \$0.006 for the Tranche 3 Options (although the actual exercise prices are not yet known as they will be calculated as detailed in paragraph (d) above and will depend on the Issue Date Share Price); and
 - (vii) under the accounting standard AASB2 Share Based Payments, the Company will recognise an expense in the income statement based on the fair value of the options over the period from the date of issue to the vesting date. The total of the fair value of the Options issued is \$1,027,200 at the date of the Notice.
- (r) The market price of Shares would normally determine whether or not the Directors exercise the Options. If the Options are exercised at a price that is lower than the price at which Shares are trading on ASX, there may be a perceived cost to the Company.
- (s) Historical quoted price information for the Company's listed securities for the last twelve months is as follows:

| Shares | Price (\$) | Date |
|---------|------------|------------------|
| Highest | 0.005 | 23 February 2021 |
| Lowest | 0.001 | 10 November 2020 |
| Last | 0.004 | 19 March 2021 |

- (t) The exercise of the Options the subject of Resolutions 5, 6 and 7 by the Directors will result in a dilution of all other Shareholders' holdings in the Company of approximately 5.23% based on the issued Shares as at the date of the Notice.
- (u) The Directors acknowledges the grant of Options to Mr Higgins and Mr Torre is contrary to Recommendation 8.3 of The Corporate Governance Principles and Recommendations (4th Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of Options to these Directors reasonable in the circumstances for the reason set out in paragraph (w).
- (v) The primary purpose of the proposed grant of the Options to the Directors is to provide a performance linked incentive component in the remuneration package for the Director to

motivate and reward the performance of the Directors in their respective roles as CEO and Managing Director in the case of Mr Boyd, and as Non-Executive Directors in the case for Mr Higgins and Mr Torre in circumstances where significant shareholder value is created via increase in the Company's share price. The purposes of incentivising the performance of Directors and aligning their interests with Shareholders is why the Options have been proposed as the class of security to be issued pursuant to Resolutions 5, 6 and 7. The specific quantum of Options proposed to be issued to the Company's Directors is considered reasonable remuneration based on the Company's limited ability to provide the Directors with cash consideration.

- (w) Mr Higgins declines to make a recommendation to Shareholders in relation to Resolution 6 due to a material personal interest in the outcome of the Resolution on the basis that he (or his nominee(s)) is to be granted Options in the Company should Resolution 6 be passed. However, in respect of Resolutions 5 and 7, Mr Higgins recommends that Shareholders vote in favour of those Resolutions for the following reasons:
 - (i) the grant of Options to the Directors, in particular, the vesting conditions of the Options, will align the interests of the Directors with those of Shareholders and executives of the Company;
 - (ii) the grant of the Options is a reasonable and appropriate method to provide cost effective remuneration to reward the Directors for their commitment and service to the Company to date and in future periods; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Options upon the terms proposed.
- (x) Mr Torre declines to make a recommendation to Shareholders in relation to Resolution 7 due to a material personal interest in the outcome of the Resolution on the basis that he (or his nominee(s)) is to be granted Options in the Company should Resolution 7 be passed. However, in respect of Resolutions 5 and 6, Mr Torre recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (w).
- (y) Mr Boyd declines to make a recommendation to Shareholders in relation to Resolution 5 due to a material personal interest in the outcome of the Resolution on the basis that he (or his nominee(s)) is to be granted Options in the Company should Resolution 5 be passed. However, in respect of Resolutions 6 and 7, Mr Boyd recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (w).
- (z) In forming their recommendations, each Director considered the experience of each other Director, the current market price of Shares, the current market practices when determining the number of Options to be granted as well as the exercise price and expiry date of those Options.
- (aa) The Company will not make any loans to the Directors in relation to the acquisition of the Options the subject of Resolutions 5, 6 and 7.
- (bb) Details of any securities issued under the Incentive Option Scheme will be published in the annual report of the Company relating to a period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (cc) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Incentive Option Scheme after Resolutions 5, 6 or 7 are approved and who are not named in this Notice will not participate until approval is obtained under that rule.
- (dd) If the issue of Shares on exercise of an Option would breach takeover provisions of the Corporations Act, the Company may delay the issue of the Shares or seek Shareholders' approval for the issue of those Shares pursuant to the Corporations Act (refer to paragraph 8 of Schedule 2 for further details).

(ee) A voting exclusion statement is included in the Notice for Resolution 5, 6 and 7.

Other than the information above and otherwise set out in the Notice, the Directors believe that there is no other information that would be reasonably required by Shareholders to pass Resolution 5, 6 and 7.

9 RESOLUTION 8 – APPROVAL OF TERMINATION BENEFITS

9.1 General

Resolution 8 seeks Shareholder approval in accordance with Part 2D.2 of the Corporations Act (including sections 200B and 200E of the Corporations Act), Listing Rule 10.19 and for all other purposes, for the Company to give certain termination benefits to any person in connection with that person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company or a subsidiary of the Company.

If Shareholder approval is obtained, it will give the maximum flexibility to provide the benefits detailed in this Notice to Relevant Personnel who cease to be appointed as Relevant Personnel. “Relevant Personnel” (as detailed in Resolution 8) include both current and future personnel who hold or have held during the three years prior to cessation of their employment or engagement, a managerial or executive office in the Company or a related body corporate of the Company. The Relevant Personnel also includes Key Management Personnel from time to time.

The Chair intends to exercise all available undirected proxies in favour of Resolution 8.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 8, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

9.2 Chapter 2D.2 of the Corporations Act and Listing Rule 10.19

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

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

A benefit includes (among other things) automatic, or accelerated, vesting of share-based payments for a person or the exercise of discretion to allow a person to maintain a benefit they would not otherwise be entitled to retain, on, or as a result of, retirement from their position in the company. A benefit also includes the exercise of a Board discretion to accelerate vesting of share-based payments. Such share-based payments include (without limitation) the Options already issued to Tim Banner the subject of Resolution 4, the other pre-existing Options on issue in the Company and Options which will be issued in future, such as the Options the subject of Resolutions 5, 6 and 7 (each of the above being an **Award**).

Listing Rule 10.19 provides that without approval of shareholders, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules. For the purpose of the Listing Rules, termination benefits include payments, property and advantages that are receivable on termination of employment, engagement or office, except those from any superannuation or provident fund and those required by law to be made.

Depending upon the value of the termination benefits (as detailed below), and the equity interests of the Company at the time such benefits may crystallise, it is uncertain if the value of the termination

benefits the subject of Resolution 8 would exceed this 5% threshold. Shareholder approval is being sought under Listing Rule 10.19 in order to give the Company flexibility, in case the value of the termination benefits exceeds this 5% threshold (which threshold would constrain the Company if Shareholder approval is not obtained pursuant to Resolution 8).

The benefits for which approval is sought under Resolution 8 include (together the **Potential Retirement Benefits**):

(a) **New Options under the Incentive Option Scheme:** benefits that may result from automatic vesting of new Options to be issued in future under the Incentive Option Scheme or from the Board exercising discretions conferred under the Incentive Option Scheme rules. In particular in relation to those discretions for Options, the Board will have the discretion to determine that, where a participant ceases to be Relevant Personnel before:

- (i) the satisfaction of any exercise conditions attaching to a granted Option; or
- (ii) the vesting or exercise of a granted Option,

some or all Options will not lapse or be forfeited (if they would otherwise lapse or be forfeited) or will vest or that some or all of the vesting conditions and/or the exercise conditions will be waived or that the expiry date will not be accelerated. These benefits may also be given as automatic events without the need for exercise of Board discretions.

In addition, the Board may have the discretion to determine that Options will also not be forfeited where a participant ceases to be Relevant Personnel after the time of satisfaction of any exercise conditions attaching to a granted Option or vesting of the Option.

One of the benefits for which approval is sought under this Resolution 8 is the potential for Shares to be issued or transferred to Relevant Personnel upon the exercise or conversion of Options as a result of the automatic vesting of Options or the Board exercising a discretion to vest Options as a termination benefit.

The Options may vest after Relevant Personnel cease to hold their positions as Relevant Personnel, which is also another benefit for which approval is sought under this Resolution 8.

Refer also to the Schedules to this Explanatory Memorandum for further information in relation to these Potential Retirement Benefits.

(b) **Pre-existing Options:** any one or more of the benefits detailed or referred to in paragraph (a) above, in relation to pre-existing Options already on issue and which are granted to Relevant Personnel or their associates, such as the Options the subject of Resolution 4. Please refer to the Annual Report (and particularly the Remuneration Report) for additional information in relation to the pre-existing Options granted to the Key Management Personnel in addition to the Options the subject of Resolution 4, which is incorporated by reference to this Notice.

Accordingly, for the purposes of section Part 2D.2 of the Corporations Act (including sections 200B and 200E of the Corporations Act), Listing Rule 10.19 and for all other purposes, Resolution 8 seeks Shareholder approval for all Potential Retirement Benefits.

The Board's current intention is to provide the Potential Retirement Benefits in scenarios permitted by relevant terms of Awards (including as detailed in the Schedules to this Notice) , but reserves its flexibility to exercise discretions in other circumstances where it consider it would be reasonable to do so.

If Shareholders approve Resolution 8, it will be effective until the conclusion of the third annual general meeting of the Company after the date on which this Resolution 8 is passed. This means that the approval will be effective (including in relation to the pre-existing Awards and all future Awards):

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

during the period expiring at the conclusion of the 2024 Annual General Meeting of the Company. If considered appropriate, the Board will seek a new approval from Shareholders at the Company's annual general meeting in 2024.

9.3 The amount or value of the potential termination benefits

The amount or value of the benefits that may be provided to Relevant Personnel in accordance with Resolution 8 cannot be ascertained in advance. However, the manner in which the amount or value of the potential benefits will be calculated, and the matters, events and circumstances that will, or are likely to affect the calculation of that amount or value include:

- (a) the number of Awards held prior to the Relevant Personnel ceasing employment or engagement with the Company or its related bodies corporate, the conditions (if any) of vesting and exercise of the Awards and the number that the Board determines to (or which automatically) vest, lapse or leave on foot;
- (b) the Relevant Personnel's entitlement to Awards at the time of cessation of employment or engagement and the conditions of such entitlement;
- (c) the circumstances of, or reasons for the Relevant Personnel, ceasing employment or engagement with the Company or its related bodies corporate and the extent to which they served the applicable notice period;
- (d) the length of service with the Company or its related bodies corporate and performance over that period of time;
- (e) any applicable performance measures and the achievement of such measures (and the personal performance and contributions of the Relevant Personnel);
- (f) the portion of any relevant performance periods for Awards that have expired at the time they cease employment or engagement;
- (g) any other factors that the Board determines to be relevant when exercising its discretion to provide Potential Retirement Benefits;
- (h) the manner in which the Board exercises its discretions;
- (i) the market price of the Company's Shares on ASX at the relevant time when the amount or value of any Award is determined, and the terms of those Awards (including performance conditions);
- (j) the exercise price of any relevant Awards which are Options;
- (k) any changes in law between the date the Company or any of its related bodies corporate enter or entered into an agreement with Relevant Personnel and the date they cease appointment as Relevant Personnel; and
- (l) the risk free rate of return in Australia and the estimated volatility of the Company's Shares on ASX at the relevant time.

The Company will calculate the value of the benefit at the relevant time based on the above factors and using, in relation to Awards which are Options, the Black Scholes valuation model to value the Options, where appropriate.

Other than the information above and otherwise set out in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 8.

9.4 Board Recommendation

The Board considers that, given the subject matter of Resolution 8, it would be inappropriate for the Board to give any voting recommendation with respect to this Resolution.

10 RESOLUTION 9 – SECTION 195 APPROVAL

10.1 General

In accordance with section 195 of the Corporations Act, a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a "material personal interest" are being considered.

In the absence of Resolution 9, the Directors may not be able to form a quorum at directors' meetings necessary to carry out the terms of Resolutions 5, 6, 7 and 8.

The Directors accordingly exercise their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve.

The Chair intends to exercise all available undirected proxies in favour of Resolution 9.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 9, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

10.2 Board Recommendation

The Board considers that, given the subject matter of Resolution 9, it would be inappropriate for the Board to give any voting recommendation with respect to this Resolution.

11 DEFINITIONS

In this Notice, Explanatory Memorandum and Proxy Form:

\$ means Australian Dollars (unless otherwise specified).

15% Placement Capacity has the meaning given in Section 6.2.

180 Day VWAP means the VWAP of Shares for a period (between the Issue Date and the Expiry Date of relevant Options, inclusive of both) of 180 consecutive days (inclusive of Trading Days and non-Trading Days).

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 31 December 2020.

Associated Body Corporate means:

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has voting power (as defined in the Corporations Act) in the Company of not less than 20%; or
- (c) a body corporate in which the Company has voting power (as defined in the Corporations Act) of not less than 20%.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

ASX Listing Rules means the listing rules of ASX.

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

Award has the meaning given in Section 9.2.

AWST means Western Standard Time, being the time in Perth, Western Australia.

Board means the board of Directors of the Company.

Chair means the person appointed to chair the Meeting or any part of the Meeting.

Closely Related Party has the meaning given to that term in the Corporations Act.

Company means Volt Power Group Limited ACN 009 423 189.

Constitution means the Constitution of the Company in force as at the date of this Notice.

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

Director means a director of the Company.

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

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

Explanatory Memorandum means this explanatory memorandum, including the Schedules.

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

First ATEN EPC Contract means the first engineering, procurement and construction contract which is entered into after the Issue Date which utilises the ATEN (Accretive Thermal Energy Node) waste heat to power technology developed by the Company for one or more sites located in Australia, regardless of the parties to that contract.

Group means the Company or an Associated Body Corporate.

Incentive Option Scheme means the Company's employee incentive scheme titled "Incentive Option Scheme", the key terms of which are summarised at Schedule 1.

Issue Date means the date on which the Company issues the relevant tranche of Options.

Issue Date Share Price means the last price per Share traded on the ASX prior to the Issue Date.

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.

Managing Director means the managing Director of the Company.

Meeting or **AGM** has the meaning in the introductory paragraph of the Notice.

Notice or **Notice of Meeting** means this notice of Annual General Meeting and includes the Explanatory Memorandum.

Offer means an offer made to an Eligible Participant to subscribe for one or more Options under the Incentive Option Scheme.

Office has the meaning given in Section 8.6(c).

Option means an option to acquire a Share.

Potential Retirement Benefits has the meaning given in Section 9.2.

Proxy Form means the proxy form attached to the Notice.

Relevant Personnel has the meaning given in Resolution 8.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution contained in this Notice.

Section means a section contained in this Explanatory Memorandum.

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

Schedule means a schedule to this Notice.

Shareholder means a holder of one or more Shares.

Trading Days has the meaning it has in the Listing Rules.

VWAP means volume weighted average market price (which has the same meaning given to that term in the Listing Rules).

Schedule 1- Key Terms of Incentive Option Scheme

The key terms of the Incentive Option Scheme are as follows:

Eligible Participant: a director, full-time employee, part-time employee, casual employee or contractor of the Company or of an Associated Body Corporate.

Invitation: The Board, acting in its absolute discretion, may offer Options to any Eligible Participant from time to time as determined by the Board. Options are issued for no consideration.

Exercise Price: The Board may determine the exercise price of Options in its absolute discretion (which may be nil).

Applicant for Options: Unless otherwise expressly permitted in an Offer, an Eligible Participant may only submit an application form in the Eligible Participant's name and not on behalf of any other person. If an Eligible Participant is permitted in an Offer, the Eligible Participant may nominate another person to be granted the Options the subject of their Offer (**Nominee**).

Grant of Options: Once the Company has received and accepted a duly signed and completed application form for Options from an Eligible Participant or from his/her Nominee, the Board will grant Options to such person or entity (**Participant**), with effect from the grant date, upon the terms set out in the Offer and the Incentive Option Scheme.

Determination of Conditions: The Board, acting in its absolute discretion, may impose conditions, including performance-related conditions, on the right of a Participant to exercise any Option granted.

Exercise: A Participant will be entitled to exercise Options granted as a result of an Offer in respect of which all Exercise Conditions have been satisfied (or earlier if permitted by the terms of the Offer) and which are otherwise capable of exercise in accordance with the terms of the relevant Offer and the Incentive Option Scheme.

Cessation of Employment where Exercise Conditions met: Subject to the terms of the Offer made to a Participant, where the Eligible Person who is, or who has nominated, that Participant (such Eligible Person being the **Relevant Person**) ceases to be an employee of, or to render services to, a member of the Group for any reason whatsoever (including without limitation resignation or termination for cause) prior to the lapsing date in relation to the Options granted under an Offer (**Ceasing Date**) and the Exercise Conditions have been met, the Participant will be entitled to exercise Options granted as a result of an Offer in accordance with the terms of the Offer and the rules of the Incentive Option Scheme, for a period of up to 60 days after the Ceasing Date, after which the Participant's Options will lapse immediately and all rights in respect of those Options will thereupon be lost.

Death, Permanent Disability, Retirement or Redundancy: Subject to the terms of the Offer made to a Participant, if in respect of a Participant, the Relevant Person dies, becomes Permanently Disabled, resigns employment on the basis of retirement from the workforce or is made redundant by the relevant member of the Group, prior to the lapsing date of any Options granted to that Participant (**Ceasing Event**):

- (a) the Participant or the Participant's legal personal representative, where relevant, may exercise those Options which at that date:
 - (i) have become exercisable;
 - (ii) have not already been exercised; and
 - (iii) have not lapsed,in accordance with paragraph (c);

- (b) at the absolute discretion of the Board, the Board may resolve that the Participant, or the Participant's legal personal representative, where relevant, may exercise those Options which at that date:
 - (i) have not become exercisable; and
 - (ii) have not lapsed,in accordance with paragraph (c) and, if the Board exercises that discretion, those unexercisable Options will not lapse other than as provided in paragraph (c);
- (c) the Participant or the Participant's legal personal representative (as the case may be) must exercise the Options referred to in paragraph (a) and, where permitted, paragraph (b), not later than the first to occur of: (A) the lapsing date of the Options in question; and (B) the date which is 6 months after the Ceasing Event provided that in the case of Options referred to in paragraph (b), all Exercise Conditions have been met at that time (unless the Board decides to waive any relevant Exercise Conditions, in its absolute discretion); and
- (d) Options which have not been exercised by the end of the period specified in paragraph (c) lapse immediately at the end of that period and all rights in respect of those Options will thereupon be lost.

Discretionary Exercise of Options: Where, in respect of a Participant, the Relevant Person ceases to be an employee of, or to render services to, a member of the Group, for any reason, prior to the date on which Options become exercisable, the Board may, in its absolute discretion, determine that some or all of the Options held by that Participant do not lapse and may be exercised by the Participant, if otherwise permitted under the rules of the Incentive Option Scheme, within such additional time as is determined by the Board following the Ceasing Date. Options which have not been exercised by the end of that period lapse immediately and all rights in respect of these Options will thereupon be lost.

Lapsing of Options: Subject to the terms of the Offer made to a Participant and unless the paragraph entitled "Cessation of Employment where Exercise Conditions met" or the paragraph entitled "Death, Permanent Disability, Retirement or Redundancy" applies, a Participant's Options will lapse immediately and all rights in respect of those Options will thereupon be lost if, in respect of a Participant or an Offer:

- (a) the Relevant Person ceases to be an employee or director of, or to render services to, a member of the Group for any reason whatsoever (including without limitation resignation or termination for cause) and the Exercise Conditions have not been met;
- (b) the Exercise Conditions are unable to be met;
- (c) the lapsing date has passed; or
- (d) the deadline provided for in the paragraph entitled "Cessation of Employment where Exercise Conditions met" has passed.

Issue of shares: Subject to the Listing Rules and the Incentive Option Scheme, following exercise of Options the Company will issue to the Participant the Shares credited as being fully paid in respect of which the Options are exercised.

Share ranking: A Share issued on exercise of an Option will rank equally in all respects with Shares already on issue on the date of exercise of the Option, except for entitlements which had a record date before the date of issue of that Share.

Listing of Shares on ASX: The Company will make application for Shares to be quoted in accordance with the Listing Rules.

Trigger Event: Notwithstanding the other rules of the Incentive Option Scheme, upon the occurrence of a Trigger Event but subject to compliance with the Corporations Act, the Listing Rules and any other applicable law:

- (a) the Options may be exercised at any time from the date of such Trigger Event, and in any number until the date (being no later than when the Options would otherwise lapse pursuant to the Offer or the rules of the Incentive Option Scheme) determined by the Board, provided that the Directors will forthwith advise in writing each holder of such Trigger Event. Thereafter, the Options shall lapse to the extent they have not been exercised; or
- (b) the Directors may determine to use their reasonable endeavours to procure that an offer is made to holders of Options on like terms (having regard to the nature and value of the Options) to the terms proposed under the Trigger Event in which case the Directors shall determine an appropriate period during which the holder may elect to accept the offer and, if the holder has not so elected at the end of that period, the Options shall immediately become exercisable and if not exercised within 10 days, shall lapse.

In this paragraph, **Trigger Event** means:

- (a) the despatch of a notice of meeting to consider a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to section 411 of the Corporations Act (excluding a scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company);
- (b) a takeover bid (as defined under section 9 of the Corporations Act) in respect of the Company:
 - (i) is announced;
 - (ii) has become unconditional; and
 - (iii) the person making the takeover bid has a relevant interest (as defined under section 9 of the Corporations Act) in fifty percent (50%) or more of the issued Shares; or
- (c) the date upon which a person or a group of associated persons becomes entitled, subsequent to the date of grant of the Option, to sufficient Shares to give it or them the ability, in general meeting, to replace all or a majority of the Board in circumstances where such ability was not already held by such person or group of associated persons.

Adjustment for bonus issues: In the event of a bonus issue of Shares being made pro-rata to Shareholders, (other than an issue in lieu of dividends), the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised prior to the record date for the bonus issue. No adjustment will be made to the exercise price per Share of the Option.

Pro rata issues: If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Option Exercise Price shall be reduced according to the formula specified in the Offer Document.

Reorganisation: The terms upon which Options will be granted will not prevent the Options being reorganised as required by the Listing Rules on the reorganisation of the capital of the Company.

Adjustment to Terms of Exercise: The Board will have the power to make adjustments to or vary the terms of exercise of an Option, subject to any requirements of the Listing Rules.

Amendments: Subject to and in accordance with the Listing Rules (including any waiver granted under such Listing Rules), the Directors (without the necessity of obtaining the prior or subsequent consent of Shareholders of the Company in a general meeting) may from time to time amend

(including the power to revoke, add to or vary) all or any provisions of the rules of the Incentive Option Scheme in any respect whatsoever, by an instrument in writing, provided that rights or entitlements in respect of any Option granted before the date of amendment shall not be reduced or adversely affected unless prior written approval from the affected holder(s) is obtained.

A copy of the complete rules of the Incentive Option Scheme is available upon request by contacting the Company Secretary, at info@voltpower.com.au

Schedule 2 - Terms and Conditions of Options pursuant to Resolutions 5, 6 and 7

Mr Adam Boyd (Resolution 5):

| Tranche | Number of Options | Exercise Price per Option | Exercise Conditions | Expiry Date |
|-----------|-------------------|---|---|--|
| Tranche 1 | 100,000,000 | Issue Date Share Price multiplied by 1.34 | The Options will vest upon Mr Boyd having been continually employed by the Company for the first 6 months after the Issue Date. | 5:00pm (AWST) on the day which is 24-months after the Issue Date |
| Tranche 2 | 100,000,000 | Issue Date Share Price multiplied by 1.43 | <p>The Options will vest upon satisfaction of the following conditions prior to the Expiry Date:</p> <ol style="list-style-type: none"> 1. Mr Boyd having been an employee or director of, or otherwise rendering services to, the Company (each an Office) continually for the first 12 months after the Issue Date; and 2. commencement of first construction works activity on a construction site pursuant to the First ATEN EPC Contract. | 5:00pm (AWST) on the day which is 36-months after the Issue Date |
| Tranche 3 | 100,000,000 | Issue Date Share Price multiplied by 1.50 | <p>The Options will vest upon satisfaction of the following conditions prior to the Expiry Date:</p> <ol style="list-style-type: none"> 1. Mr Boyd having held an Office continually for the first 12 months after the Issue Date; and 2. there being a 180 Day VWAP of at least \$0.006 per Share. | 5:00pm (AWST) on the day which is 48-months after the Issue Date |

Mr Simon Higgins (Resolution 6):

| Tranche | Number of Options | Exercise Price per Option | Exercise Conditions | Expiry Date |
|----------------|--------------------------|---|--|--|
| Tranche 1 | 30,000,000 | Issue Date Share Price multiplied by 1.34 | The Options will vest upon Mr Higgins having held an Office continually for the first 6 months after the Issue Date. | 5:00pm (AWST) on the day which is 24-months after the Issue Date |
| Tranche 2 | 30,000,000 | Issue Date Share Price multiplied by 1.43 | <p>The Options will vest upon satisfaction of the following conditions prior to the Expiry Date:</p> <ol style="list-style-type: none"> 1. Mr Higgins having held an Office continually for the first 12 months after the Issue Date; and 2. commencement of first construction works activity on a construction site pursuant to the First ATEN EPC Contract. | 5:00pm (AWST) on the day which is 36-months after the Issue Date |
| Tranche 3 | 30,000,000 | Issue Date Share Price multiplied by 1.50 | <p>The Options will vest upon satisfaction of the following conditions prior to the Expiry Date:</p> <ol style="list-style-type: none"> 1. Mr Higgins having held an Office continually for the first 12 months after the Issue Date; and 2. there being a 180 Day VWAP of at least \$0.006 per Share. | 5:00pm (AWST) on the day which is 48-months after the Issue Date |

Mr Peter Torre (Resolution 7):

| Tranche | Number of Options | Exercise Price per Option | Exercise Conditions | Expiry Date |
|----------------|--------------------------|---|---|--|
| Tranche 1 | 30,000,000 | Issue Date Share Price multiplied by 1.34 | The Options will vest upon Mr Torre having held an Office continually for the first 6 months after the Issue Date. | 5:00pm (AWST) on the day which is 24-months after the Issue Date |
| Tranche 2 | 30,000,000 | Issue Date Share Price multiplied by 1.43 | The Options will vest upon satisfaction of the following conditions prior to the Expiry Date: <ol style="list-style-type: none">1. Mr Torre having held an Office continually for the first 12 months after the Issue Date; and2. commencement of first construction works activity on a construction site pursuant to the First ATEN EPC Contract. | 5:00pm (AWST) on the day which is 36-months after the Issue Date |
| Tranche 3 | 30,000,000 | Issue Date Share Price multiplied by 1.50 | The Options will vest upon satisfaction of the following conditions prior to the Expiry Date: <ol style="list-style-type: none">1. Mr Torre having held an Office continually for the first 12 months after the Issue Date; and2. there being a 180 Day VWAP of at least \$0.006 per Share. | 5:00pm (AWST) on the day which is 48-months after the Issue Date |

Terms applicable to all Options pursuant to Resolutions 5 to 7:

In these Terms:

Eligible Participant has the meaning given to that term in the Incentive Option Scheme (see Schedule 1);

Exercise Conditions means the applicable exercise conditions specified in the relevant table above for the relevant tranche of Options;

Exercise Period means, for an Option, the period commencing on the earliest to occur of when the Option:

- (a) vests upon the satisfaction of the relevant Exercise Conditions; or
- (b) is otherwise deemed to vest pursuant to these Terms; or
- (c) becomes exercisable pursuant to the Incentive Option Scheme due to the occurrence of a Trigger Event, death of the Option Holder, the Option Holder becoming Permanently Disabled or the application of a discretion of the Company's Board to permit such exercise,

and ending on the relevant Expiry Date, or (if applicable) such earlier time as the Option ceases to be exercisable pursuant to:

- (d) paragraph 2; or
- (e) the Incentive Option Scheme after the occurrence of a Trigger Event, death of the Option Holder, the Option Holder becoming Permanently Disabled or the application of a discretion of the Company's Board to permit such exercise;

Exercise Price means the relevant exercise price specified in the relevant table above for the relevant tranche of Options (subject to paragraphs 13 and 14 below);

Expiry Date means the applicable expiry date for a tranche of Options specified in the relevant table above;

First ATEN EPC Contract means the first engineering, procurement and construction contract which is entered into after the Issue Date which utilises the ATEN (Accretive Thermal Energy Node) waste heat to power technology developed by the Company for one or more sites located in Australia, regardless of the parties to that contract;

Issue Date means the date on which the Company issues the relevant tranche of Options;

Issue Date Share Price means the last price per Share traded on the ASX prior to the Issue Date;

a **month** means a period commencing at the beginning of a day of one of the 12 months of the year and ending immediately before the beginning of the corresponding day of the next month or, if there is no such day, ending at the expiration of the next month;

Nominee has the meaning given to that term in the Incentive Option Scheme (see Schedule 1);

Office means any role as an employee of, director of or service provider to, the Company;

Option Holder means the registered holder of Options;

Participant has the meaning given to that term in the Incentive Option Scheme (see Schedule 1);

Permanently Disabled means, in relation to a Participant, a Participant who is deemed, at the discretion of the Board, to be totally and permanently disabled; and

Trigger Event has the meaning given to that term in the Incentive Option Scheme (see Schedule 1).

1 Exercise Period and lapse of Options

Subject to the remainder of this paragraph 1 and subject to paragraph 2, the Options are only exercisable during the Exercise Period.

Options will automatically lapse immediately and all rights in respect of those Options will thereupon be lost if:

- (a) the relevant Expiry Date has passed;

- (b) paragraph 2(a)(i) applies;
 - (c) the relevant deadline provided in paragraph 2(a)(ii) has passed;
 - (d) paragraph 2(b) applies; or
 - (e) a lapsing event specified by the terms of the Scheme occurs,
- whichever is earliest.

2 Cessation of appointment

Subject to compliance with the ASX Listing Rules and the applicable law (including the *Corporations Act 2001* (Cth) (**Corporations Act**)):

- (a) If the Option Holder, or where the Option Holder is a Nominee, the Eligible Participant by virtue of whom such Nominee holds Options, ceases to hold Office (or, if the Eligible Participant holds more than one Office, ceases to hold all those Offices) due to resignation, redundancy, retirement from the workforce or termination by the Company other than dismissal for cause:
 - (i) unless otherwise determined by the Company's Board, all Options for which the Exercise Conditions have not been satisfied will automatically lapse immediately upon such cessation of Office and all rights in respect of those Options will thereupon be lost; and
 - (ii) all Options for which the Exercise Conditions have been satisfied will be exercisable for the lesser of the time remaining until the Expiry Date or 60 days after such cessation of Office, after which the Options will automatically lapse immediately and all rights in respect of those Options will thereupon be lost; and
- (b) If the Option Holder, or where the Option Holder is a Nominee, the Eligible Participant by virtue of whom such Nominee holds Options, ceases to hold any Office, due to dismissal by the Company for cause, including but not limited to, serious or persistent breach of the Option Holder's (or Eligible Holder's) employment agreement or engagement agreement with the Company, fraudulent or dishonest conduct, any criminal offence which involves fraud or dishonesty, any wrongful or negligent act or omission which results in substantial liability, or serious or gross misconduct, all Options (regardless of whether the Exercise Conditions have been satisfied or not) will automatically lapse immediately upon such cessation of Office and all rights in respect of those Options will thereupon be lost.

3 No Official Quotation of Options

The Company will not apply for official quotation of the Options.

4 Entitlement

Each Option entitles the Option Holder to subscribe for one Share upon exercise of such Option during the Exercise Period.

5 Notice of Exercise

The Options may be exercised by the Option Holder giving to the Company at any time during the Exercise Period:

- (a) a written notice of exercise which specifies the number of Options being exercised and is substantially in the form set out in Schedule 1 of the Incentive Option Scheme (or in such other form as is acceptable to the Company);
- (b) each certificate for the Options or, if any such certificate for the Options has been lost, mutilated or destroyed, a declaration to that effect, accompanied by an indemnity in favour of the Company against any loss, costs or expenses which might be incurred by the Company as a consequence of its relying on the declaration that the certificate has been lost, mutilated or destroyed;
- (c) if the Option Holder wishes to nominate a nominee (to whom Shares may be legally offered and issued without a prospectus or other disclosure document) to receive the Shares to be issued pursuant to the exercise of Options, the Option Holder must provide to the Company the nominee's agreement to become a Shareholder; and
- (d) except to the extent of usage of the Cashless Exercise Facility in paragraph 6, payment of the Exercise Price for each Option being exercised,

(together, the **Exercise Notice**).

Any Exercise Notice in respect 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 by the Company of all components of the Exercise Notice.

Following the exercise of Options the exercised Options will automatically lapse.

6 Cashless Exercise of Options

Subject to the remainder of this paragraph 6, the Option Holder may elect to pay the Exercise Price for one or more Options by setting off the total Exercise Price against the number of Shares which they are entitled to receive upon exercise (**Cashless Exercise Facility**). By using the Cashless Exercise Facility, the Option Holder (or, if applicable, the Option Holder's nominee pursuant to paragraph 5(c) who is acceptable to the Company) will receive Shares to the value of the surplus after the Exercise Price has been set off.

If the Option Holder elects to use the Cashless Exercise Facility, the Option Holder (or, if applicable, the Option Holder's nominee pursuant to paragraph 5(c) who is acceptable to the Company) will only be issued a number of Shares (rounded down to the nearest whole number) equal in value to the difference between the total Exercise Price otherwise payable for the relevant Options on the Options being exercised and the then market value of the Shares at the time of exercise calculated in accordance with the following formula:

$$S = \frac{O \times (MSP - EP)}{MSP}$$

Where:

S = Number of Shares to be issued on exercise of the Options

O = Number of Options being exercised

MSP = Market value of the Shares calculated using the volume weighted average market price (as defined in the ASX Listing Rules) of the Shares on ASX for the 30 trading days immediately prior to (and excluding) the date of receipt by the Company of all components of the Exercise Notice

EP = Exercise Price

If the difference between the total Exercise Price otherwise payable for the Options on the Options being exercised and the then market value of the Shares at the time of exercise (calculated in

accordance with the above) is zero or negative, then the Option Holder will not be entitled to use the Cashless Exercise Facility.

7 Shares Issued on Exercise

Shares issued on exercise of Options will, from the time of their issue, rank equally with the then issued Shares.

8 Takeover Provisions

- (a) The Option Holder shall give prior notification to the Company in writing if the Option Holder considers that the exercise of Options may or will result in the contravention of section 606 of the Corporations Act, failing which the Company shall be entitled to assume that the exercise of all or any of the Options will not result in any person or entity being in contravention of section 606.
- (b) The Company may (but is not obliged to), by written notice, request the Option Holder to give notification to the Company in writing within two Business Days if the Company considers that the exercise of Options may or will result in the contravention of section 606 of the Corporations Act. If the Option Holder does not give notification to the Company that it considers the exercise of Options may or will result in the contravention of section 606 of the Corporations Act, within two Business Days of receipt of such request, then the Company shall be entitled to assume that the exercise of Options will not result in any person or entity being in contravention of section 606 of the Corporations Act.
- (c) If the Option Holder notifies the Company (in accordance with paragraph 8(a) or 8(b)) or the Company determines that an exercise of Options would or may result in the Option Holder (or any other person or entity) being in contravention of section 606 of the Corporations Act then, in respect of that number of Options the exercise of which would or may result in the Option Holder (or any other person or entity) being in contravention of section 606 of the Corporations Act, subject to paragraph 8(d):
 - (i) the obligation of the Company to issue Shares (and take any other actions) pursuant to the exercise of the Options shall be deemed to have been deferred until such time or times thereafter that the issue of the relevant Shares would not result in a contravention of section 606 of the Corporations Act; and
 - (ii) if requested by the Option Holder, the Company must seek to obtain the approval of the holders of Shares (**Shareholders**) for the exercise of the affected Options, pursuant to a resolution under item 7 of section 611 of the Corporations Act.
- (d) If, on the day which is six months after the exercise (pursuant to paragraph 5) of Options, the issue of part or all of the relevant Shares pursuant to the exercise of such Options still would or may (in the Company's reasonable opinion) result in a contravention of section 606 of the Corporations Act, then:
 - (i) that exercise is retracted only in relation to the affected Options the exercise of which would or may result in the Option Holder (or any other person or entity) being in contravention of section 606 of the Corporations Act;
 - (ii) the Company is not obliged to take the actions provided in paragraphs 9 or 10 (or otherwise) for that retracted exercise of those affected Options;
 - (iii) those affected Options are deemed to not have been exercised and will continue to be subject to these Terms; and

- (iv) the Company and the Option Holder will take all relevant actions to reverse any steps taken pursuant to paragraph 5 for those affected Options only.

9 Official Quotation of Shares on Exercise

Application will be made by the Company to ASX for official quotation of the Shares issued following the exercise of the Options.

10 Timing of issue of Shares

Subject to compliance with the ASX Listing Rules and the applicable law (including the Corporations Act) and subject to paragraph 8 and the remainder of this paragraph 10, within 5 business days after the receipt by the Company, in accordance with paragraph 5, of:

- (a) a written notice of exercise of relevant Options pursuant to paragraph 5(a);
- (b) each certificate for the relevant Options (if any); and
- (c) (except to the extent of usage of the Cashless Exercise Facility in paragraph 6) payment of the Exercise Price for each Option being exercised,

the Company will allot and issue the Shares pursuant to the exercise of the relevant Options and will (if necessary to ensure that an offer for sale of the Shares pursuant to the exercise of the Options does not require disclosure to investors), at the same time, issue a cleansing notice under section 708A(5) of the Corporations Act.

If the Company is not then permitted to issue a cleansing notice under section 708A(5) of the Corporations Act, if necessary to ensure that an offer for sale of the Shares pursuant to the exercise of the Options does not require disclosure to investors, the Company must either:

- (a) issue a prospectus on the date that the Shares are issued under this paragraph 10 (in which case the date for issuing those Shares may be extended to not more than 25 Business Days after the receipt by the Company of all components of the Exercise Notice, to allow the Company time to prepare that prospectus); or
- (b) issue a prospectus before the date that the Shares are issued under paragraph a) immediately above, provided that offers under that prospectus must still be open for acceptance on the date when those Shares are issued,

in accordance with the requirements of section 708A(11) of the Corporations Act.

11 Participation in new issues

There are no participation rights or entitlements inherent in the Options and the Option Holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

12 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 of, or in satisfaction of, dividends or by way of dividend reinvestment):

- (a) 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; and

(b) no change will be made to the Exercise Price.

13 Adjustment for Rights Issue

If the Company makes an issue of Shares pro rata (except a bonus issue) to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New Exercise Price} = O - \frac{E [P - (S + D)]}{N + 1}$$

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one Option is exercisable.

P = volume weighted average market price (as defined in the Listing Rules) per Share during the 5 trading days ending on the day before the ex-rights date or ex-entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

14 Adjustments for Reorganisation

If there is any reorganisation of the issued share capital of the Company, the rights of the Option Holder will be varied to the extent necessary to comply with the Listing Rules which apply to the reorganisation at the time of the reorganisation.

15 Options Not Transferable

The Options are non-transferable.

16 Incentive Option Scheme

The Options are subject to the terms of the Incentive Option Scheme.

In the event of an inconsistency between these Terms and the Incentive Option Scheme, these Terms will prevail (subject to compliance with the ASX Listing Rules and applicable law (including the Corporations Act)).

17 Amendments

Subject to compliance with the ASX Listing Rules and applicable law (including the Corporations Act), any amendment to these Terms is subject to the agreement of the Option Holder and the Company.

The Directors' power in the Incentive Option Scheme to amend the rules set out in the Incentive Option Scheme is subject to the proviso that the rights or entitlements in respect of the Options granted before the date of amendment shall not be reduced or adversely affected without the prior written consent of the Option Holder.

18 Lodgement Instructions

Payment should be made to the Company in Australian currency. The application for Shares on exercise of the Options with the appropriate remittance should be lodged with the Company's Company Secretary.

Schedule 3- Terms and Conditions of Options pursuant to Resolution 4

Tranche 1

| | |
|---------------------------|---|
| Number of Options | 60,000,000 |
| Exercise Price per Option | Issue Date Share Price multiplied by 1.26 |
| Expiry Date | 5:00pm (Perth time) on the day which is 18 months after the Issue Date |
| Exercise Condition | The Options will vest upon Mr Tim Banner (the Option Holder) having been continually employed by the Company for the first 6 months after the Issue Date. |

Tranche 2

| | |
|---------------------------|---|
| Number of Options | 60,000,000 |
| Exercise Price per Option | Issue Date Share Price multiplied by 1.43 |
| Expiry Date | 5:00pm (Perth time) on the day which is 36 months after the Issue Date |
| Exercise Conditions | <p>The Options will vest upon satisfaction of the following conditions prior to the Expiry Date:</p> <ol style="list-style-type: none"> 1. the Option Holder having been continually employed by the Company for the first 24 months after the Issue Date; and 2. commencement of first construction works activity on a construction site pursuant to the First ATEN EPC Contract. |

Tranche 3

| | |
|---------------------------|--|
| Number of Options | 60,000,000 |
| Exercise Price per Option | Issue Date Share Price multiplied by 1.67 |
| Expiry Date | 5:00pm (Perth time) on the day which is 54 months after the Issue Date |
| Exercise Conditions | <p>The Options will vest upon satisfaction of the following conditions prior to the Expiry Date:</p> <ol style="list-style-type: none"> 1. the Option Holder having been continually employed by the Company for the first 12 months after the Issue Date; and 2. the First ATEN EPC Contract having reached the stage of satisfaction of completion testing or final acceptance testing as required by the contract, as determined by the parties to that contract. |

In these Terms:

Exercise Conditions means the applicable exercise conditions specified in the relevant table above for the relevant tranche of Options;

Exercise Period means, for an Option, the period commencing on the earliest to occur of when the Option:

- (a) vests upon the satisfaction of the relevant Exercise Conditions; or
- (b) is otherwise deemed to vest pursuant to these Terms; or
- (c) becomes exercisable pursuant to the Incentive Option Scheme due to the occurrence of a Trigger Event, death of the Option Holder, the Option Holder becoming Permanently Disabled or the application of a discretion of the Company's Board to permit such exercise,

and ending on the relevant Expiry Date, or (if applicable) such earlier time as the Option ceases to be exercisable pursuant to:

- (d) paragraph 2; or

- (e) the Incentive Option Scheme after the occurrence of a Trigger Event, death of the Option Holder, the Option Holder becoming Permanently Disabled or the application of a discretion of the Company's Board to permit such exercise;

Exercise Price means the relevant exercise price specified in the relevant table above for the relevant tranche of Options (subject to paragraphs 13 and 14 below);

Expiry Date means the applicable expiry date for a tranche of Options specified in the relevant table above;

First ATEN EPC Contract means the first engineering, procurement and construction contract which is entered into after the Issue Date which utilises the ATEN (Accretive Thermal Energy Node) waste heat to power technology developed by the Company for one or more sites located in Australia, regardless of the parties to that contract;

Issue Date means the date on which the Company issues the relevant tranche of Options;

Issue Date Share Price means the last price per Share traded on the ASX prior to the Issue Date;

a **month** means a period commencing at the beginning of a day of one of the 12 months of the year and ending immediately before the beginning of the corresponding day of the next month or, if there is no such day, ending at the expiration of the next month;

Permanently Disabled means, the Option Holder being deemed, at the discretion of the Board, to be totally and permanently disabled; and

Trigger Event has the meaning given to that term in the Incentive Option Scheme (see Schedule 1).

1 Exercise Period and lapse of Options

Subject to the remainder of this paragraph 1 and subject to paragraph 2, the Options are only exercisable during the Exercise Period.

Options will automatically lapse immediately and all rights in respect of those Options will thereupon be lost if:

- (a) the relevant Expiry Date has passed;
- (b) paragraph 2a)i applies;
- (c) the relevant deadline provided in paragraph 2a)ii has passed;
- (d) paragraph 2b) applies; or
- (e) a lapsing event specified by the terms of the Incentive Option Scheme occurs,

whichever is earliest.

2 Cessation of employment

Subject to compliance with the ASX Listing Rules and the applicable law (including the *Corporations Act 2001* (Cth) (**Corporations Act**)):

- (a) if the Option Holder ceases employment with the Company due to resignation, redundancy, retirement from the workforce or termination by the Company other than dismissal for cause detailed in paragraph 2b):
 - (i) unless otherwise determined by the Company's Board, all Options for which the Exercise Conditions have not been satisfied will automatically lapse immediately

upon such cessation of employment and all rights in respect of those Options will thereupon be lost; and

- (ii) all Options for which the Exercise Conditions have been satisfied will be exercisable for the lesser of the time remaining until the Expiry Date or 60 days after such cessation of employment, after which the Options will automatically lapse immediately and all rights in respect of those Options will thereupon be lost; and
- (b) if the Option Holder ceases employment with the Company due to dismissal by the Company for cause, including but not limited to, serious or persistent breach of the Option Holder's employment agreement, fraudulent or dishonest conduct, any criminal offence which involves fraud or dishonesty, any wrongful or negligent act or omission which results in substantial liability, or serious or gross misconduct, all Options (regardless of whether the Exercise Conditions have been satisfied or not) will automatically lapse immediately upon such cessation of employment and all rights in respect of those Options will thereupon be lost.

3 No Official Quotation of Options

The Company will not seek official quotation of the Options.

4 Entitlement

Each Option entitles the Option Holder to subscribe for one Share upon exercise of such Option during the Exercise Period.

5 Notice of Exercise

The Options may be exercised by the Option Holder giving to the Company at any time during the Exercise Period:

- (a) a written notice of exercise which specifies the number of Options being exercised and is substantially in the form set out in Schedule 1 of the Incentive Option Scheme (or in such other form as is acceptable to the Company);
- (b) each certificate for the Options or, if any such certificate for the Options has been lost, mutilated or destroyed, a declaration to that effect, accompanied by an indemnity in favour of the Company against any loss, costs or expenses which might be incurred by the Company as a consequence of its relying on the declaration that the certificate has been lost, mutilated or destroyed;
- (c) if the Option Holder wishes to nominate a nominee (to whom Shares may be legally offered and issued without a prospectus or other disclosure document) to receive the Shares to be issued pursuant to the exercise of Options, the Option Holder must provide to the Company the nominee's agreement to become a Shareholder; and
- (d) except to the extent of usage of the Cashless Exercise Facility in paragraph 6, payment of the Exercise Price for each Option being exercised,

(together, the **Exercise Notice**).

Any Exercise Notice in respect 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 by the Company of all components of the Exercise Notice.

Following the exercise of Options the exercised Options will automatically lapse.

6 Cashless Exercise of Options

Subject to the remainder of this paragraph 6, the Option Holder may elect to pay the Exercise Price for one or more Options by setting off the total Exercise Price against the number of Shares which they are entitled to receive upon exercise (**Cashless Exercise Facility**). By using the Cashless Exercise Facility, the Option Holder (or, if applicable, the Option Holder's nominee pursuant to paragraph 5c) who is acceptable to the Company) will receive Shares to the value of the surplus after the Exercise Price has been set off.

If the Option Holder elects to use the Cashless Exercise Facility, the Option Holder (or, if applicable, the Option Holder's nominee pursuant to paragraph 5c) who is acceptable to the Company) will only be issued a number of Shares (rounded down to the nearest whole number) equal in value to the difference between the total Exercise Price otherwise payable for the relevant Options on the Options being exercised and the then market value of the Shares at the time of exercise calculated in accordance with the following formula:

$$S = \frac{O \times (MSP - EP)}{MSP}$$

Where:

S = Number of Shares to be issued on exercise of the Options

O = Number of Options being exercised

MSP = Market value of the Shares calculated using the volume weighted average market price (as defined in the ASX Listing Rules) of the Shares on ASX for the 30 trading days immediately prior to (and excluding) the date of receipt by the Company of all components of the Exercise Notice

EP = Exercise Price

If the difference between the total Exercise Price otherwise payable for the Options on the Options being exercised and the then market value of the Shares at the time of exercise (calculated in accordance with the above) is zero or negative, then the Option Holder will not be entitled to use the Cashless Exercise Facility.

7 Shares Issued on Exercise

Shares issued on exercise of Options will, from the time of their issue, rank equally with the then issued Shares.

8 Takeover Provisions

- (a) The Option Holder shall give prior notification to the Company in writing if the Option Holder considers that the exercise of Options may or will result in the contravention of section 606 of the Corporations Act, failing which the Company shall be entitled to assume that the exercise of all or any of the Options will not result in any person or entity being in contravention of section 606.
- (b) The Company may (but is not obliged to), by written notice, request the Option Holder to give notification to the Company in writing within two Business Days if the Company considers that the exercise of Options may or will result in the contravention of section 606 of the Corporations Act. If the Option Holder does not give notification to the Company that it considers the exercise of Options may or will result in the contravention of section 606 of the Corporations Act, within two Business Days of receipt of such request, then the Company shall be entitled to assume that the exercise of Options will not result in any person or entity being in contravention of section 606 of the Corporations Act.

- (c) If the Option Holder notifies the Company (in accordance with paragraph 8(a) or 8(b)) or the Company determines that an exercise of Options would or may result in the Option Holder (or any other person or entity) being in contravention of section 606 of the Corporations Act then, in respect of that number of Options the exercise of which would or may result in the Option Holder (or any other person or entity) being in contravention of section 606 of the Corporations Act, subject to paragraph 8(d):
- (i) the obligation of the Company to issue Shares (and take any other actions) pursuant to the exercise of the Options shall be deemed to have been deferred until such time or times thereafter that the issue of the relevant Shares would not result in a contravention of section 606 of the Corporations Act; and
 - (ii) if requested by the Option Holder, the Company must seek to obtain the approval of the holders of Shares (**Shareholders**) for the exercise of the affected Options, pursuant to a resolution under item 7 of section 611 of the Corporations Act.
- (d) If, on the day which is six months after the exercise (pursuant to paragraph 5) of Options, the issue of part or all of the relevant Shares pursuant to the exercise of such Options still would or may (in the Company's reasonable opinion) result in a contravention of section 606 of the Corporations Act, then:
- (i) that exercise is retracted only in relation to the affected Options the exercise of which would or may result in the Option Holder (or any other person or entity) being in contravention of section 606 of the Corporations Act;
 - (ii) the Company is not obliged to take the actions provided in paragraphs 9 or 10 (or otherwise) for that retracted exercise of those affected Options;
 - (iii) those affected Options are deemed to not have been exercised and will continue to be subject to these Terms; and
 - (iv) the Company and the Option Holder will take all relevant actions to reverse any steps taken pursuant to paragraph 5 for those affected Options only.

9 Official Quotation of Shares on Exercise

Application will be made by the Company to ASX for official quotation of the Shares issued following the exercise of the Options.

10 Timing of issue of Shares

Subject to compliance with the ASX Listing Rules and the applicable law (including the Corporations Act) and subject to paragraph 8 and the remainder of this paragraph 10, within 5 business days after the receipt by the Company, in accordance with paragraph 5, of:

- (a) a written notice of exercise of relevant Options pursuant to paragraph 5a);
- (b) each certificate for the relevant Options (if any); and
- (c) (except to the extent of usage of the Cashless Exercise Facility in paragraph 6) payment of the Exercise Price for each Option being exercised,

the Company will allot and issue the Shares pursuant to the exercise of the relevant Options and will (if necessary to ensure that an offer for sale of the Shares pursuant to the exercise of the Options does not require disclosure to investors), at the same time, issue a cleansing notice under section 708A(5) of the Corporations Act.

If the Company is not then permitted to issue a cleansing notice under section 708A(5) of the Corporations Act, if necessary to ensure that an offer for sale of the Shares pursuant to the exercise of the Options does not require disclosure to investors, the Company must either:

- (a) issue a prospectus on the date that the Shares are issued under this paragraph 10 (in which case the date for issuing those Shares may be extended to not more than 25 Business Days after the receipt by the Company of all components of the Exercise Notice, to allow the Company time to prepare that prospectus); or
- (b) issue a prospectus before the date that the Shares are issued under paragraph a) immediately above, provided that offers under that prospectus must still be open for acceptance on the date when those Shares are issued,

in accordance with the requirements of section 708A(11) of the Corporations Act.

11 Participation in new issues

There are no participation rights or entitlements inherent in the Options and the Option Holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

12 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 of, or in satisfaction of, dividends or by way of dividend reinvestment):

- (a) 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; and
- (b) no change will be made to the Exercise Price.

13 Adjustment for Rights Issue

If the Company makes an issue of Shares pro rata (except a bonus issue) to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New Exercise Price} = O - \frac{E [P - (S + D)]}{N + 1}$$

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one Option is exercisable.

P = volume weighted average market price (as defined in the Listing Rules) per Share during the 5 trading days ending on the day before the ex-rights date or ex-entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

14 Adjustments for Reorganisation

If there is any reorganisation of the issued share capital of the Company, the rights of the Option Holder will be varied to the extent necessary to comply with the Listing Rules which apply to the reorganisation at the time of the reorganisation.

15 Options Not Transferable

The Options are non-transferable.

16 Incentive Option Scheme

The Options are subject to the terms of the Incentive Option Scheme.

In the event of an inconsistency between these Terms and the Incentive Option Scheme, these Terms will prevail (subject to compliance with the ASX Listing Rules and applicable law (including the Corporations Act)).

17 Amendments

Subject to compliance with the ASX Listing Rules and applicable law (including the Corporations Act), any amendment to these Terms is subject to the agreement of the Option Holder and the Company.

The Directors' power in the Incentive Option Scheme to amend the rules set out in the Incentive Option Scheme is subject to the proviso that the rights or entitlements in respect of the Options granted before the date of amendment shall not be reduced or adversely affected without the prior written consent of the Option Holder.

18 Lodgement Instructions

Payment should be made to the Company in Australian currency. The application for Shares on exercise of the Options with the appropriate remittance should be lodged with the Company's Company Secretary.



Volt Power Group Limited
ACN 009 423 189

LODGE YOUR VOTE



ONLINE
www.linkmarketservices.com.au



BY MAIL
Volt Power Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX
+61 2 9287 0309



BY HAND
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138



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

LODGE MENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **10.30am (AWST) on Wednesday, 5 May 2021**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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



ONLINE
www.linkmarketservices.com.au

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



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

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

QR Code



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

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

DEFAULT TO CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

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

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

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

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

NAME SURNAME
 ADDRESS LINE 1
 ADDRESS LINE 2
 ADDRESS LINE 3
 ADDRESS LINE 4
 ADDRESS LINE 5
 ADDRESS LINE 6



X9999999999

PROXY FORM

I/We being a member(s) of Volt Power Group Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

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

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10.30am (AWST) on Friday, 7 May 2021 at the offices of BDO, Ground Floor, 38 Station Street, Subiaco, Western Australia** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1, 3 and 5 to 9: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 3 and 5 to 9, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

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

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions

| | For | Against | Abstain* | | For | Against | Abstain* |
|---|--------------------------|--------------------------|--------------------------|------------------------|--------------------------|--------------------------|--------------------------|
| 1 Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 9 Section 195 Approval | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 Re-Election of Mr Peter Torre as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| 3 Approval of Incentive Option Scheme | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| 4 Ratification of Issue of Options | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| 5 Issue of Options to a Director - Mr Adam Boyd | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| 6 Issue of Options to a Director - Mr Simon Higgins | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| 7 Issue of Options to a Director - Mr Peter Torre | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| 8 Approval of Termination Benefits | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |



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

STEP 2

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

STEP 3

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

VPR PRX2101D

