
SKY AND SPACE COMPANY LIMITED

ACN 117 770 475

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 9:00am (WST)
DATE: 2 December 2021
PLACE: 283 Rokeby Road
SUBIACO WA 6008

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm (WST) on 30 November 2021.

BUSINESS OF THE MEETING

AGENDA

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

1. RESOLUTION 1 – ELECTION OF DIRECTOR – MR RICHARD DAVIS

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

“That, for the purpose of clause 11.12 of the Constitution and for all other purposes, Richard Davis, a Director (or his nominee) who was appointed casually on 9 March 2021, retires, and being eligible, is elected as a Director.”

2. RESOLUTION 2 – ELECTION OF DIRECTOR – MR LEON KEMPLER

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

“That, for the purpose of clause 11.12 of the Constitution and for all other purposes, Leon Kempler, a Director (or his nominee) who was appointed casually on 9 March 2021, retires, and being eligible, is elected as a Director.”

3. RESOLUTION 3 – AMENDMENT TO PERFORMANCE RIGHTS ISSUED TO XAVIER KRIS – DIRECTOR

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, and for all other purposes, approval is given for the Company to amend the terms of issue of 1,500,000 Performance Rights previously issued to Xavier Kris (or his nominee) under the Employee Incentive Plan on the terms and conditions set out in the Explanatory Statement.”

A voting prohibition statement applies to this Resolution. Please see below.

4. RESOLUTION 4 – AMENDMENT TO PERFORMANCE RIGHTS ISSUED TO STEPHEN GORENSTEIN – DIRECTOR

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, and for all other purposes, approval is given for the Company to amend the terms of issue of 1,500,000 Performance Rights previously issued to Stephen Gorenstein (or his nominee) under the Employee Incentive Plan on the terms and conditions set out in the Explanatory Statement.”

A voting prohibition statement applies to this Resolution. Please see below.

5. RESOLUTION 5 – AMENDMENT TO PERFORMANCE RIGHTS ISSUED TO SILVIO SALOM – DIRECTOR

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, and for all other purposes, approval is given for the Company to amend the terms of issue of 1,750,000 Performance Rights previously issued to Silvio Salom (or his nominee) under the Employee Incentive Plan on the terms and conditions set out in the Explanatory Statement.”

A voting prohibition statement applies to this Resolution. Please see below.

6. RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS TO RICHARD C DAVIS – DIRECTOR

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, and for all other purposes, approval is given for the Company to issue 650,000 Performance Rights to Richard Davis (or his nominee) under the Employee Incentive Plan on the terms and conditions set out in the Explanatory Statement.”

A voting prohibition statement applies to this Resolution. Please see below.

7. RESOLUTION 7 – ISSUE OF PERFORMANCE RIGHTS TO LEON KEMPLER - DIRECTOR

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, and for all other purposes, approval is given for the Company to issue 650,000 Performance Rights to Leon Kempler (or his nominee) under the Employee Incentive Plan on the terms and conditions set out in the Explanatory Statement.”

A voting prohibition statement applies to this Resolution. Please see below.

8. RESOLUTION 8 – ISSUE OF SECURITIES IN LIEU OF FEES TO XAVIER KRIS

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, and for all other purposes, approval is given for the Company to issue 307,068 Shares to Xavier Kris (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

9. RESOLUTION 9 – ISSUE OF SECURITIES IN LIEU OF FEES TO STEPHEN GORENSTEIN

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, and for all other purposes, approval is given for the Company to issue

307,068 Shares to Stephen Gorenstein (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

10. RESOLUTION 10 – ISSUE OF SECURITIES IN LIEU OF FEES TO SILVIO SALOM

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, and for all other purposes, approval is given for the Company to issue 307,068 Shares to Silvio Salom (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

11. RESOLUTION 11 – ISSUE OF SECURITIES IN LIEU OF FEES TO RICHARD C DAVIS

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, and for all other purposes, approval is given for the Company to issue 155,178 Shares to Richard Davis (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

12. RESOLUTION 12 – ISSUE OF SECURITIES IN LIEU OF FEES TO LEON KEMPLER

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, and for all other purposes, approval is given for the Company to issue 155,178 Shares to Leon Kempler (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Dated: 2 November 2021

By order of the Board

**Xavier Kris
Chairman**

Voting Prohibition Statement

Resolution 3 – Amendment to Performance Rights Issued to Mr Xavier Kris	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolutions 3 – 7 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolutions 3 – 7 Excluded Party.</p>
Resolution 4 – Amendment to Performance Rights Issued to Mr Stephen Gorenstein	<p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p>
Resolution 5 – Amendment to Performance Rights Issued to Mr Silvio Salom	<p>(a) the proxy is either:</p> <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and <p>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</p>
Resolution 6 – Issue of Performance Rights to Mr Richard Davis	<p>Provided the Chair is not a Resolutions 3 – 7 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
Resolution 7 – Issue of Performance Rights to Mr Leon Kempler	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolutions 8 – 12 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolutions 8 – 11 Excluded Party.</p>
Resolution 8 – Approval to issue Shares to Director in lieu of fees – Mr Xavier Kris	<p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p>
Resolution 9 – Approval to issue Shares to Director in lieu of fees – Mr Stephen Gorenstein	<p>(a) the proxy is either:</p> <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and <p>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</p>
Resolution 10 – Approval to issue Shares to Director in lieu of fees – Mr Silvio Salom	<p>Provided the Chair is not a Resolutions 8 – 11 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
Resolution 11 – Approval to issue Shares to Director in lieu of fees – Mr Richard Davis	<p>(a) the proxy is the Chair; and</p> <p>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</p>
Resolution 12 – Approval to issue Shares to Director in lieu of fees – Mr Richard Davis	<p>(a) the proxy is the Chair; and</p> <p>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</p>

Voting by proxy

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

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

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

Shareholders and their proxies should be aware that:

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

Voting in person

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

You may still attend the meeting and vote in person even if you have lodged appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that resolution.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the meeting. If you do not bring your Proxy Form with you, you can still attend the meeting but representatives from Computershare Investor Services will need to verify your identity. You can register from 9:30am (WST) on the day of the meeting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 3 9867 7199.

EXPLANATORY STATEMENT

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

FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

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

1. RESOLUTIONS 1 AND 2 – ELECTION OF DIRECTORS

1.1 General

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

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

Messrs Richard C Davis and Leon Kempler, each having been appointed by other Directors on 9 March 2021 in accordance with the Constitution, will retire in accordance with the Constitution and being eligible, seek election from Shareholders.

1.2 Resolution 1 – Election of Mr Richard C Davis

Resolution 1 seeks Shareholder approval for the election of Mr Richard C Davis.

Mr Davis is a highly experienced executive with over 25 years of experience in corporate finance, private equity and the space industry. He is currently a Managing Director of ADP. He is also a founder and Managing Member of ArgoSat Advisors, a premier global advisory firm focused on the space industry. As part of his duties with ArgoSat, Mr. Davis sits on the boards of SolAero Technologies, Sky and Space Corporation, and EarthDaily Analytics Corp.

Prior to ArgoSat, Mr. Davis was President, and later Interim-CFO, for ProtoStar, a communications satellite operator which raised over \$500 million and launched two DTH satellites over Asia. Earlier in his career, Mr. Davis was a private equity investor Principal at VantagePoint Venture Partners, a private equity and venture capital firm with \$4 billion of assets under management. His focus was on media/telecom as well as semiconductors/semiconductor capital equipment. Prior to Vantage Point, he was a Vice President and founding member of the Lehman Brothers Communication Fund which was an \$800 million private equity fund focused on communications infrastructure investments. In these roles, Mr. Davis was involved in equity and debt investments, asset acquisitions and dispositions and mergers and other business combinations or spin-offs for

approximately two dozen companies in various investment lifecycle stages. Mr. Davis started his corporate finance career as an Associate at Salomon Brothers.

Mr. Davis was formerly an instructor pilot in the United States Air Force. He received his B.S. in Astrophysics (cum laude) from the University of Minnesota, and his MBA from the University of Virginia.

If elected the Board does not consider Mr Davis to be an independent Director.

1.3 Resolution 2 – Election of Mr Leon Kempler

Resolution 2 seeks Shareholder approval for the election of Mr Leon Kempler.

Mr Kempler AM is a highly respected executive who was appointed to the Order of Australia in 1998 and 2018 for his contribution to philanthropic institutions in the areas of culture, education and medicine and for his contribution to furthering Australia-Israel bilateral relations. His career has spanned over thirty years in a range of industries including communications, software and IT.

His roles are significant and have included: Chairman of ADSone, Director of GBS Inc., Chairman of the Advisory Council of Questacon – the National Science and Technology Centre, President of Museums Board of Victoria, National Chairman of the Australia-Israel Chamber of Commerce, International Advisor to the Israel Science, Technology and Innovation Policy Institute, Honorary Life Governor of the Sir General John Monash Foundation, Patron of the Haven Foundation and Director of the Royal Children's Hospital Foundation.

Mr Kempler holds an Honorary Doctorate of Science from Deakin University and Fellowships from Monash University, Technion Institute of Science and the Hebrew University of Jerusalem.

If elected the Board considers Mr Kempler to be an independent Director.

1.4 Other material information

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications, character, criminal record and bankruptcy history. Such checks were undertaken by the Company Secretary prior to the appointment of the Directors.

1.5 Board recommendation

As each Director has an interest in the outcome of Resolutions 1 and 2 on the basis that all of the Directors are seeking re-election, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 1 and 2 of this Notice.

2. RESOLUTIONS 3 TO 7 – AMENDMENT OF PERFORMANCE RIGHT MILESTONE ON PERFORMANCE RIGHTS AND ISSUE OF PERFORMANCE RIGHTS TO DIRECTORS

2.1 Background

The Company previously issued on 27 January 2021, 4,750,000 performance rights to Directors Xavier Kris, Stephen Gorenstein, and Silvio Salom (or their nominees) pursuant to its Employee Incentive Plan (**Incentive Plan**) as approved by Shareholders on 27 January 2021. The terms of the performance rights are set out in Schedule 1 and include the following performance milestones:

(a) **Class A Performance Rights**

The completion of the Company's recapitalisation and the reinstatement to trading of the Company's Shares on ASX within 12 months of the date of issue.

(b) **Class B Performance Rights**

The Company achieving US\$2 million in revenue between the date of reinstatement to trading of the Company's Shares on ASX and the date that is five years from the date of issue.

(c) **Class C Performance Rights**

The Company achieving US\$10 million in revenue between the date of reinstatement to trading of the Company's Shares on ASX and the date that is five years from the date of issue

(each, a **Milestone**).

The Performance Rights were issued for nil cash consideration to Directors Xavier Kris, Stephen Gorenstein, and Silvio Salom to align the interests of the Directors with those of Shareholders, to motivate and reward the performance of the Directors in their roles as Directors and by having consistent operational performance milestones. The Directors considered that the operational performance hurdles were appropriate and best aligned the incentives of each director and employee.

Since being issued, the Company has been removed from the Official List of ASX and the previous milestones are no longer applicable to the Company.

The Company has agreed, subject to Shareholder approval, to amend the terms of performance rights issued to Messrs Xavier Kris, Stephen Gorenstein, and Silvio Salom (or their nominees) under the Company's Incentive Plan and the milestones set out below and included in the terms and conditions set out in Schedule 1.

2.2 Purpose of Resolution 3, 4 & 5

Resolutions 3, 4 and 5 seek the approval of shareholders to vary the terms of the Milestones as follows:

- (a) The Class A Performance Right is amended by replacing the Class A Performance Right with:

"The Company formally completing the "Best and Final Offer" process for the manufacture of the first 16 satellites in its commercial constellation"

- (b) The Class B Performance Right is amended by replacing the Class B Performance Right with:

"The Company (i) achieving US\$2 million in revenue between the date of the DOCA effectuation and the date that is five years from the date of issue; or (ii) trading its shares on a recognised stock exchange; or (iii) selling 50% or more of the its assets to a third party".

- (c) The Class C Performance Right is amended by replacing the previous Class C Performance Right with:

"The Company (i) achieving US\$10 million in revenue between the date of the DOCA effectuation and the date that is five years from the date of issue; or (ii) trading its shares on a recognised stock exchange; or (iii) selling 50% or more of its assets to a third party".

2.3 Performance Rights

The Company has agreed, to issue up to 1,300,000 Performance Rights to Messrs Richard Davis and Leon Kempler (or their nominees) (**Related Parties**) pursuant to the Incentive and on the terms and conditions set out below (**Incentive Performance Rights**).

2.4 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

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

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

The issue of the Incentive Performance Rights to the Related Parties and the amendments to the existing performance milestones constitutes giving a financial benefit to each of the Directors and each of the Directors is a related party of the Company by virtue of being a Director.

As existing performance rights are being amended and the Incentive Performance Rights are proposed to be issued to the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to either the proposed amendments or to the existing performance rights or for the issue of the Incentive Performance Rights. Accordingly, Shareholder approval for (1) the amendments to the performance right terms and (2) for the issue of Incentive Performance Rights on the amended terms to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

2.5 Technical information required by section 219 of the Corporations Act

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act, the following information is provided in relation to Resolutions 3 to 8 :

- (a) the Performance Rights will be issued to the following persons:
 - (i) Mr Richard Davis (or their nominee) pursuant to Resolution 6; and
 - (ii) Mr Leon Kempler (or their nominee) pursuant to Resolution 7;each of whom are a Director;
- (b) the maximum number of Performance Rights to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is 1,300,000 as set out in the table below:

	Tranche A	Tranche B	Tranche C	Total
Richard C Davis	250,000	200,000	200,000	650,000
Leon Kempler	250,000	200,000	200,000	650,000

- (c) 4,750,000 Performance Rights have been previously issued under the Incentive Plan;
- (d) a summary of the material terms and conditions of the Performance Rights is set out in Schedule 1;
- (e) the Performance Rights are unquoted securities. The Company has chosen to issue Performance Rights to the Related Parties for the following reasons:
- (i) the Performance Rights are unquoted; therefore, the issue of the Performance Rights has no immediate dilutionary impact on Shareholders;
 - (ii) the milestones attaching to the Performance Rights as set out in Schedule 1 will align the interests of the Related Parties with those of Shareholders; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights on the terms proposed;
- (f) the number of Performance Rights to be issued to each of the Related Parties has been determined based upon a consideration of:
- (i) current market standards and/or practices of other companies of a similar size and stage of development to the Company;
 - (ii) the remuneration of the Related Parties; and
 - (iii) incentives to attract and ensure continuity of service/retain the service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights upon the terms proposed;

- (g) the total proposed remuneration package for each of the Related Parties for the current financial year are set out below:

Related Party	Current Financial Year
Richard C Davis	\$48,000
Leon Kempler	\$48,000

- (h) the value of the Performance Rights and the pricing methodology is set out in Schedule 2;

- (i) the Performance Rights will be issued to the Related Parties no later than 3 years after the date of the Meeting and it is anticipated the Performance Rights will be issued on one date;
- (j) the issue price of the Performance Rights will be nil, as such no funds will be raised from the issue of the Performance Rights;
- (k) the purpose of the issue of the Performance Rights is to provide a performance linked incentive component in the remuneration package for the Related Parties to align the interests of the Related Parties with those of Shareholders, to motivate and reward the performance of the Related Parties in their roles as Directors and to provide a cost effective way from the Company to remunerate the Related Parties, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties;
- (l) a summary of the material terms and conditions of the Incentive Plan is set out in Schedule 3;
- (m) no loans are being made to the Related Parties in connection with the acquisition of the Performance Rights;
- (n) details of any Performance Rights issued under the Incentive Plan will be published in the annual report of the Company relating to the period in which they were issued;
- (o) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares ¹	Options	Performance Rights
Richard C Davis	0	0	0
Leon Kempler	1,650,000	412,500	0

Notes:

- 1. Fully paid ordinary shares in the capital of the Company.
- (p) if the milestones attaching to the Performance Rights issued to the Related Parties are met and the Performance Rights are converted, a total of 1,300,000 Shares would be issued;
- (q) each Director has a material personal interest in the outcome of Resolutions 6 and 7 on the basis that all of the Directors (or their nominees) are to be issued Performance Rights should Resolutions 3 and 4 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 3 and 4 of this Notice; and
- (r) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 6 and 7.

3. RESOLUTIONS 8 - 12 – ISSUE OF SECURITIES IN LIEU OF FEES TO DIRECTORS

3.1 General

Messrs Xavier Kris, Stephen Gorenstein, Silvio Salom, Richard Davis and Leon Kempler are each entitled to receive Director fees of \$48,000 per annum.

From the date of their respective appointments as Directors, being 21 July 2020 for Messrs Xavier Kris, Stephen Gorenstein, Silvio Salom, and 9 March 2021 for Messrs Richard Davis and Leon Kempler, and up to 31 October 2021 (**Applicable Period**), each director will have accrued director fees as follows:

- (a) Messrs Xavier Kris, Stephen Gorenstein, Silvio Salom will have accrued fees of \$61,414 each: and
- (b) Messrs Richard Davis and Leon Kempler will have accrued fees of \$31,036 each.

The Directors have not received any director fee payments during the Applicable Period.

Based upon an issue price of \$0.20 (20 cents) per Share, the Company has agreed, subject to obtaining Shareholder approval, to issue:

- (a) pursuant to Resolution 8, 307,068 Shares to Xavier Kris (or his nominee), in lieu of the Director fees payable to Mr Kris for the Applicable Period;
- (b) pursuant to Resolution 9, 307,068 Shares to Stephen Gorenstein (or his nominee), in lieu of the Director fees payable to Mr Gorenstein for the Applicable Period;
- (c) pursuant to Resolution 10, 307,068 Ordinary Shares to Silvio Salom (or his nominee), in lieu of the Director fees payable to Mr Gorenstein for the Applicable Period;
- (d) pursuant to Resolution 11, 155,178 Ordinary Shares to Richrd C Davis (or his nominee), in lieu of the Director fees payable to Mr Davis for the Applicable Period;
- (e) pursuant to Resolution 12, 155,178 Ordinary Shares to Leon Kempler (or his nominee), in lieu of the Director fees payable to Mr Kempler for the Applicable Period.

Resolutions 8-12 seek Shareholder approval for the issue of the above Shares which are proposed to be issued to Messrs Kris, Gorenstein, Salom, Davis and Kempler (the Directors in exchange for their respective foregone Director fees for the Applicable Period (i.e. in the event that these Shares are issued, the relevant Directors will not receive the relevant portion of their Director fees for the Applicable Period).

3.2 Chapter 2E of the Corporations Act

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

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval,

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

The grant of Shares constitutes giving a financial benefit and Messrs Kris, Gorenstein, Salom, Davis and Kempler (the Directors are each a related party of the Company by virtue of being Directors).

The Directors (other than Mr Kris who abstained) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 8 because the Shares are being issued in lieu of forgone Director Fees. It is therefore considered that the exception in section 211 of the Corporations Act applies.

The Directors (other than Mr Gorenstein who abstained) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 9 because the Shares are being issued in lieu of forgone Director Fees. It is therefore considered that the exception in section 211 of the Corporations Act applies.

The Directors (other than Mr Salom who abstained) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 10 because the Shares are being issued in lieu of forgone Director Fees. It is therefore considered that the exception in section 211 of the Corporations Act applies.

The Directors (other than Mr Davis who abstained) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 11 because the Shares are being issued in lieu of forgone Director Fees. It is therefore considered that the exception in section 211 of the Corporations Act applies.

The Directors (other than Mr Kempler who abstained) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 12 because the Shares are being issued in lieu of forgone Director Fees. It is therefore considered that the exception in section 211 of the Corporations Act applies.

3.3 Section 195(4) of the Corporations Act

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

It might be argued (but it is neither conceded nor, indeed, is it thought by the Board to be the case) that three of the four Directors comprising the Board (Messrs Kris, Gorenstein, Salom, Davis and Kempler) (the Directors) have a material personal interest in the outcome of Resolutions 8-12. If each does have such an interest, then a quorum could not be formed to consider the matters contemplated by Resolutions 8-12 at Board level.

For the avoidance of any doubt, and for the purpose of transparency and best practice corporate governance, the Company also seeks Shareholder approval for Resolutions 8-12 for the purposes of section 195(4) of the Corporations Act.

GLOSSARY

\$ means Australian dollars.

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

ASIC means the Australian Securities & Investments Commission.

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

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

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

Company means Sky and Space Company Limited (ACN 117 770 475).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

Recipient Parties means those parties listed in Section 4.3(c) of the Explanatory Statement.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2021.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

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

SCHEDULE 1 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

A summary of the terms and conditions of the Performance Rights is set out below:

- (a) **Milestones:** The amended Performance Rights will have the following milestones attached to them:
- (i) **Class A Performance Rights**
- The Company formally completing the “Best and Final Offer” process for the manufacture of the first 16 satellites in its commercial constellation.*
- (ii) **Class B Performance Rights**
- The Company (i) achieving US\$2 million in revenue between the date of the DOCA effectuation and the date that is five years from the date of issue; or (ii) trading its shares on a recognised stock exchange; or (iii) selling 50% or more of the its assets to a third party.
- (iii) **Class C Performance Rights**
- The Company (i) achieving US\$10 million in revenue between the date of the DOCA effectuation and the date that is five years from the date of issue; or (ii) trading its shares on a recognised stock exchange; or (iii) selling 50% or more of the its assets to a third party.
- Vesting Deadline:** Each of the Performance Rights shall lapse on the date that is five years from the date of issue (**Vesting Deadline**). If the relevant Milestone attached to a class of Performance Rights has not been achieved by the relevant Vesting Deadline, then the relevant Performance Rights will automatically lapse. For the avoidance of doubt, a Performance Right will not lapse in the event the relevant Milestone is met before the relevant Vesting Deadline and the Shares the subject of a conversion are deferred in accordance with paragraph (o) below.
- (b) **Notification to holder:** The Company shall notify the holder in writing when the relevant Milestone has been satisfied.
- (c) **Conversion:** Subject to paragraph (o), upon vesting, each Performance Right will, at the election of the holder, convert into one Share.
- (d) **Lapsing Otherwise:** If the holder (or the effective holder where a nominee has been appointed) of the Performance Right’s engagement with the Company (or one of its subsidiaries) is terminated for whatever reason, any unvested Performance Rights held by that relevant holder will automatically lapse.
- (e) **Expiry Date:** Each Performance Right shall otherwise expire five (5) years from the date of issue (**Expiry Date**). If the relevant Milestone attached to the Performance Right has been achieved by the Expiry Date, all unconverted Performance Rights of the relevant class will automatically lapse at that time.
- (f) **Consideration:** The Performance Rights will be issued for nil consideration and no consideration will be payable upon the conversion of the Performance Rights into Shares.
- (g) **Share ranking:** All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.

- (h) **Application to ASX:** The Performance Rights will not be quoted on ASX.
- (i) **Timing of issue of Shares on Conversion:** Within 5 Business Days after date that the Performance Rights are converted, the Company will:
 - (i) issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights converted;
 - (ii) if required, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (iii) if admitted to the Official List of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the conversion of the Performance Rights.

If a notice delivered under (i)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

- (j) **Transfer of Performance Rights:** Performance Rights are only transferrable in Special Circumstances (as defined in the Plan) with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death, to the relevant holder's legal personal representative or upon bankruptcy to the holder's trustee in bankruptcy.
- (k) **Participation in new issues:** A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues without exercising the Performance Right.
- (l) **Reorganisation of capital:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder will be changed in a manner consistent with the Corporations Act at the time of reorganisation.
- (m) **Dividend and voting rights:** The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.
- (n) **Change in control:** Subject to paragraph (o), upon:
 - (i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
 - (A) having received acceptances for not less than 50% of the Company's Shares on issue; and
 - (B) having been declared unconditional by the bidder; or
 - (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

that number of Performance Rights that is equal to not more than 10% of the Shares on issue immediately following conversion under this paragraph will convert into an equivalent number of Shares. The conversion will be completed on a pro rata basis across each class of Performance Rights then on issue as well as on a pro rata basis for each holder. Performance Rights that are not converted into Shares under this paragraph will continue to be held by the holders on the same terms and conditions.

- (o) **Deferral of conversion if resulting in a prohibited acquisition of Shares:** If the conversion of a Performance Right under paragraph (c) or (n) would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:
- (i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition; and
 - (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (o)(i) within seven (7) days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.
- (p) **No rights to return of capital:** A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (q) **Rights on winding up:** A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.
- (r) **No other rights:** A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (s) **Plan:** The terms of the Performance Rights are supplemented by the terms of the Company's Incentive Plan.

SCHEDULE 2 – VALUATION OF PERFORMANCE RIGHTS

The Performance Rights to be issued to the Related Parties pursuant to Resolutions 3 and 4 have been valued by internal management.

Using a pricing model that incorporates a Monte Carlo simulation and based on the assumptions set out below, the Performance Rights were ascribed the following value:

Performance Rights	Tranche A	Tranche B	Tranche C
Share price ¹	\$0.20	\$0.20	\$0.20
Exercise price	\$0.000	\$0.000	\$0.000
Valuation date ²	19-Oct-21	19-Oct-21	19-Oct-21
Vesting date	19-Oct-26	19-Oct-26	19-Oct-26
Expiry date	19-Oct-26	19-Oct-26	19-Oct-26
Volatility	91.40%	91.40%	91.40%
Risk-free Rate	1.20%	1.20%	1.20%
Dividends	Nil	Nil	Nil
Employee retention rate	100%	100%	100%
Number of Rights	500,000	400,000	400,000
Value per Right	\$0.20	\$0.20	\$0.20
Value per Tranche	\$100,000	\$80,000	\$80,000

1. Share price being the current share price of SAS, based on the last capital raising price
2. Valuation date being current date of most recent available data, as the rights are still subject to shareholder approval

SCHEDULE 3 – TERMS AND CONDITIONS OF INCENTIVE PLAN

A summary of the terms of the Company's Employee Securities Incentive Plan (**Plan**) is set out below.

(a) **Awards**

Award means an Option, a Performance Right, a Share Award and/or a Loan Funded Share, as the case may be.

(b) **Eligible Participant**

Eligible Participant means

- (i) any Director or a person who is a full-time or part-time employee of the Company or its Related Bodies Corporate who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Awards under the Plan; or
- (ii) any other person providing services to the Group and who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Awards under the Plan.

(c) **Administration of the Plan**

The Plan will be administered by the Board in accordance with the Plan rules.

(d) **Purpose**

The purpose of the Plan is to:

- (i) assist in the reward, retention and motivation of Eligible Participants;
- (ii) link the reward of Eligible Participants to Shareholder value creation; and
- (iii) align the interests of Eligible Participants with Shareholders by providing an opportunity to Eligible Participants to earn rewards via an equity interest in the Company based on creating Shareholder value.

(e) **Maximum Award Allocation**

Unless prior Shareholder Approval is obtained, the number of Awards which may be granted under the Plan must not at any time exceed in aggregate 15% of the total issued capital of the Company at the date of any proposed new Awards.

(f) **Eligibility, invitation and application**

The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for any (or any combination) of the different types of Awards on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Awards the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.

If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

(g) **Terms of Awards**

The terms and conditions of Awards offered or granted under these Rules to each Eligible Participant will be determined by the Board in its sole and absolute discretion.

(h) **Grant of Awards**

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

(i) **Terms of Options and Performance Rights**

Each Option and/or Performance Right (**Convertible Security**) represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

(j) **Vesting of a Convertible Security**

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

(k) **Exercise of Convertible Securities and cashless exercise**

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

The Board may determine in its sole and absolute discretion that a Participant will not be required to provide payment of the exercise price of Options, but that on exercise of the Options the Company will only allot and issue or transfer that number of Plan Shares to the Participant that are equal in value to the difference between the exercise price otherwise payable in relation to the Options and the then Market Value of the Plan Shares as at the time of the exercise (with the number of Plan Shares rounded down).

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

Market Value means:

- (i) in relation to Options and Performance Rights, a value determined by application of a valuation methodology approved by the Board; and
- (ii) in relation to Share Awards, Loan Funded Shares and Plan Shares, the 'volume weighted average market price' (as that term is defined in the Listing Rules) per Share during the previous five trading days.

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

Options must be exercised in multiples of 100 unless fewer than 100 Options are held by a Participant or the Board otherwise agrees.

(l) **Delivery of Shares on exercise of Convertible Securities**

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

(m) **Forfeiture of Convertible Securities**

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

Where the Board determines that a Participant has acted fraudulently or dishonestly; committed an act which has brought the Company, the Group or any entity within the Group into disrepute, or wilfully breached his or her duties to the Group or where a Participant is convicted of an offence in connection with the affairs of the Group; or has a judgment entered against him or her in any civil proceedings in respect of the contravention by the Participant of his or her duties at law, in equity or under statute, in his or her capacity as an employee, consultant or officer of the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

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

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

(n) **Change of control**

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event provided that, in respect of Convertible Securities, the maximum number of Convertible Securities (that have not yet been exercised) that

the Board may determine will vest and be exercisable into Shares under this Rule is that number of Convertible Securities that is equal to 10% of the Shares on issue immediately following vesting under this Rule, which as far as practicable will be allocated between holders on a pro-rata basis on the basis of their holdings of Convertible Securities on the date of determination of vesting.

(o) **Adjustment of Convertible Securities**

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

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

(p) **Convertible Securities participation rights**

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

(q) **Share Awards**

The Board may from time to time make an invitation to an Eligible Participant to acquire Share Awards under the Plan. The Board will determine in its sole and absolute discretion the acquisition price (if any) for each Share Award which may be nil. The Share Awards may be subject to performance hurdles and/or vesting conditions as determined by the Board.

Where Share Awards granted to a Participant are subject to performance hurdles and/or vesting conditions, the Participant's Share Awards will be subject to certain restrictions until the applicable performance hurdles and/or vesting conditions (if any) have been satisfied, waived by the Board or are deemed to have been satisfied under these Rules.

Following the issue of a vesting notification to the Participant, the Share Awards held by the Participant will no longer be subject to any restrictions and may be transferred or sold by the Participant, subject to compliance with applicable laws, the Company's Securities Trading Policy and the terms of the Plan.

(r) **Loan Funded Shares**

The Board may from time to time make an invitation to an Eligible Participant to acquire Loan Funded Shares under the Plan. The Board will determine in its sole and absolute discretion the acquisition price (if any) for each Loan Funded Shares which may be nil. The Loan Funded Shares may be subject to performance hurdles and/or vesting conditions as determined by the Board.

Where Loan Funded Shares granted to a Participant are subject to performance hurdles and/or vesting conditions, the Participant's Loan Funded Shares will be subject to certain restrictions until the applicable performance hurdles and/or vesting conditions (if any) have been satisfied, waived by the Board or are deemed to have been satisfied under these Rules.

Following the issue of a vesting notification to the Participant, the Loan Funded Shares held by the Participant will no longer be subject to any restrictions and may be

transferred or sold by the Participant, subject to compliance with applicable laws, the Company's Securities Trading Policy and the terms of the Plan.

When the Company makes an Invitation to an Eligible Participant to acquire Loan Funded Shares, the Company will also offer the Eligible Participant a Loan on terms and conditions to be determined by the Board, for the amount of the acquisition price of the Loan Funded Shares, for the purposes of acquiring all or part of the Loan Funded Shares the subject of the invitation.

The loan amount may accrue interest as determined by the Board.

A Participant may repay all or part of a Loan at any time before the expiration of the Loan term, and at the expiration of the Loan term the Participant must immediately repay all of the Loan.

(s) **Rights Attaching to Share Awards, Loan Funded Shares and Plan Shares**

Any Share Awards, Loan Funded Shares and/or Plan Shares allotted, issued or transferred by the Company to a Participant under the Plan will rank equally with all existing Shares on and from the date of allotment, issue or transfer, including in respect of all rights and bonus issues.

A Participant will have a vested and indefeasible entitlement to any dividends declared and distributed by the Company on any Share Awards, Loan Funded Shares and/or Plan Shares which, at the record date for determining entitlement to those dividends, are standing to the account of the Participant.

The Participant may also participate in any dividend reinvestment plan operated by the Company in respect of Share Awards, Loan Funded Shares (provided the Loan has been fully repaid) and/or Plan Shares held by the Participant.

(t) **Disposal restrictions**

If the invitation provides that any Share Awards, Loan Funded Shares and/or Plan Shares held by any Participants are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as Share Awards, Loan Funded Shares and/or Plan Shares held by any Participants are subject to any disposal restrictions under the Plan, the Participant will not:

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

(u) **Buy-back**

Subject to applicable law, the Company may at any time buy-back Awards and/or Plan Shares in accordance with the terms of the Plan.

(v) **Compliance with applicable law**

No act will be done or determination made in accordance with the Plan rules where to do so would be a breach of any applicable laws, and where any such act is done

or determination made it will be considered void and to the extent possible be unwound and of no effect in respect of Awards and/or Plan Shares.

(w) **Amendment of Plan**

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

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

(x) **Plan duration**

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

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