

**Shekel Brainweigh Ltd**  
Level 5, 126 Phillip Street  
Sydney, NSW 2000  
ARBN: 625 669 445

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# Shekel Brainweigh Ltd

## **Notice of Extraordinary General Meeting**

Explanatory Statement | Proxy Form

6 April 2021

**4.00 PM AEST**

**Address**

Level 5, 126 Phillip Street, Sydney, NSW 2000

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.

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## Important Information for Shareholders about the Company's 2021 EGM

Given the uncertainty surrounding the COVID-19 pandemic, by the time this Notice is received by Shareholders, circumstances may have changed, however, this Notice is given based on circumstances as at 5 March 2021.

Accordingly, should circumstances change, the Company will make an announcement on the ASX market announcements platform and on the Company's website at <https://www.shekelbrainweigh.com/>. Shareholders are urged to monitor the ASX announcements platform and the Company's website.

## Venue and Voting Information

The Extraordinary General Meeting (EGM) of the Shareholders to which this Notice of Meeting relates will be held at 4.00pm (AEST) on Tuesday 6 April 2021 at the offices of Automic Group, Level 5, 126 Phillip Street, Sydney, NSW 2000.

### Your vote is important

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

### Voting in person

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

### Voting by proxy

To vote by proxy, please use one of the following methods:

|                |  |
|----------------|--|
| <b>Online</b>  | Lodge the Proxy Form online at <a href="https://investor.automic.com.au/#/loginsah">https://investor.automic.com.au/#/loginsah</a> by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form.<br><br>For further information on the online proxy lodgment process please see the <b>Online Proxy Lodgment Guide</b> at <a href="https://www.automicgroup.com.au/virtual-agms/">https://www.automicgroup.com.au/virtual-agms/</a> |
| <b>By post</b> | Automic, GPO Box 5193, Sydney NSW 2001   |
| <b>By hand</b> | Automic, Level 5, 126 Phillip Street, Sydney NSW 2000  |

Your Proxy Form must be received not later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

## Power of attorney

If the Proxy Form is signed under a power of attorney on behalf of a Shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the Proxy Form, unless the power of attorney has already provided it to the Company's Share Registry.

## Corporate representatives

If a representative of a corporate shareholder or a corporate proxy will be attending the Meeting, the representative should bring to the Meeting adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

## Review rights of an interested party

One or more Shareholders holding Shares in an amount constituting five percent or more of the total voting rights in the Company (currently equating to a holding of 7,658,775 Shares or more), as well as whoever holds such percentage of the total voting rights not held by a "Controlling Shareholder" in the Company ("**Controlling Shareholder**" is any Shareholder that has the ability to direct the Company's activities (other than by means of being a director or office holder of the Company)). A person is presumed to be a Controlling Shareholder if he or she holds or controls, by himself or together with others, one half or more of any one of the "means of control" of a company; for this purpose, a shareholder who holds 25% or more of the voting rights in the company if no other shareholder holds more than 50% of the voting rights in the company, is also presumed to be a controlling shareholder. "Means of control" is defined as any one of the following: (i) the right to vote at a general meeting of a company, or (ii) the right to appoint directors of a company or its chief executive officer. For the purpose of holding in the context of a transaction with an interested party, two or more holders of voting rights in the Company, each of whom has a personal interest in approving the transaction brought for the approval of the Company, shall be regarded as "holding together", is entitled to review, by himself or through an agent acting on his behalf, following the convening of the Extraordinary General Meeting in the registered office of the Company and during normal business hours, the voting proxies and voting records received by the Company.

Shareholders wishing to express their position on an agenda item for this Meeting may do so by submitting a written statement (a "**Position Statement**") to Shekel Brainweigh Limited, c/o The Automic Group, at Level 5, 126 Phillip Street, Sydney, NSW 2000. Any Position Statement received will be made available to the public on the Company's website and by way of an ASX announcement. Position Statements should be submitted to the Company no later than 26 March 2021. A Shareholder is entitled to contact the Company directly and receive the text of the Proxy Form and any Position Statement.

## Quorum

Two Shareholders present, personally or by proxy, holding Shares conferring in the aggregate at least 25% (twenty five percent) of the Company's voting power, shall constitute a quorum for the Meeting. If within half an hour from the time the Meeting is convened a quorum is not present, the Meeting shall stand adjourned to such day and at such time and place as determined by the Board of Directors. If a quorum is not present at the second meeting within half an hour from the time appointed for such meeting, any present Shareholders personally or by proxy shall be deemed a quorum, and shall be entitled to deliberate and to resolve in respect of the matters for which the Meeting was convened.

# Notice of Extraordinary General Meeting

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Notice is hereby given that an Extraordinary General Meeting of Shareholders of Shekel Brainweigh Ltd ARBN 625 669 445 will be held at 4.00pm (AEST) on 6 April 2021 at the offices of Automic Group, Level 5, 126 Phillip Street, Sydney, NSW 2000 (the "**Meeting**").

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

The Directors have determined pursuant to the Israeli Companies Regulations (Relief for Public Companies Traded on Stock Markets Outside of Israel), 5760–2000 that the persons eligible to vote at the Extraordinary General Meeting are those who are registered Shareholders at 4:00pm (AEDT) on 1 April 2021.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

## Resolutions

### **Approval of the appointment of Mr Arik Shor in the combined role as an active Chairman of the Board of Directors and Chief Executive Officer of the Company and approval of his terms of compensation**

#### **1. Resolution 1 – Approval of the appointment of Mr Arik Shor in the combined role as an active Chairman of the Board of Directors and Chief Executive Officer of the Company**

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

*"To approve the appointment of Mr Arik Shor in the combined role as an active Chairman of the Board of Directors and Chief Executive Officer of the Company, in accordance with Section 121(c) of the Companies Law, for a period of up to three years, with effect from 1 August 2020."*

The approval of the Resolution 1, as described above, requires the affirmative vote of a Special Majority (as defined in this Notice of Meeting).

#### **2. Resolution 2 – Approval of the Terms of Compensation for Mr Arik Shor**

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

*"To approve the Terms of Compensation of Mr Arik Shor, as set forth in the Explanatory Statement, with effect from 1 August 2020."*

The approval of Resolution 2, as described above, requires the affirmative vote of a Special Majority (as defined in the Glossary to this Notice of Meeting).

## **Approval of the Company's amended Share Incentive Plan and the issue of securities thereunder**

### **3. Resolution 3 – Approval of the Company's amended Share Incentive Plan and the issue of securities thereunder**

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

*"That, for the purposes of ASX Listing Rule 7.2 (exception 13(b)) and for all other purposes, the Shareholders of the Company approve the adoption of the Company's amended Share Incentive Plan and the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- (a) a person who is eligible to participate in the Amended Share Incentive Plan; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 3 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with directions given to the proxy or attorney to vote on Resolution 3 in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with a direction given to the Chair of the Meeting to vote on Resolution 3 as the Chair of the Meeting decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on Resolution 3; and
  - the holder votes on Resolution 3 in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Resolutions in Relation to Placement**

### **4. Resolution 4 – Ratification of prior issue of Placement Shares issued under ASX Listing Rule 7.1**

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and prior issue of 13,125,000 Placement Shares issued by the Company on 25 January 2021 pursuant to the Placement undertaken by the Company and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- (a) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (b) an Associate of that person or those persons.

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

- (i) a person as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with directions given to the proxy or attorney to vote on Resolution 4 in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with a direction given to the Chair of the Meeting to vote on Resolution 4 as the Chair of the Meeting decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on Resolution 4; and
  - the holder votes on Resolution 4 in accordance with directions given by the beneficiary to the holder to vote in that way.

## 5. **Resolution 5** – Ratification of prior issue of Placement Options issued under ASX Listing Rule 7.1

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and prior issue of 6,562,500 Placement Options issued by the Company on 25 January 2021 pursuant to the Placement undertaken by the Company and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- (a) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 5 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on Resolution 5, in accordance with directions given to the proxy or attorney to vote on Resolution 5 in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 5 in accordance with a direction given to the Chair of the Meeting to vote on Resolution 5 as the Chair of the Meeting decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on Resolution 5; and
  - the holder votes on Resolution 5 in accordance with directions given by the beneficiary to the holder to vote in that way.

## 6. **Resolution 6** – Ratification of prior issue of Broker Shares issued under ASX Listing Rule 7.1

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and prior issue of 1,050,000 Broker Shares issued by the Company to EverBlu (including entities related to, or nominees of, EverBlu) on 25 January 2021 and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of:

- (a) EverBlu (including entities related to or nominees of EverBlu) who received Broker Shares; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 6 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on Resolution 6, in accordance with directions given to the proxy or attorney to vote on Resolution 6 in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair of the Meeting to vote on Resolution 6 as the Chair of the Meeting decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on Resolution 6; and
  - the holder votes on Resolution 6 in accordance with directions given by the beneficiary to the holder to vote in that way.

## 7. Resolution 7 – Approval of Issue of Broker Options to EverBlu

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

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders of the Company approve the issue and allotment of up to 15,000,000 Broker Options, each exercisable at \$0.32 per Option and expiring 24 months from the date of issue, to EverBlu (or its nominee) as consideration for services provided by EverBlu as the lead manager of the Placement, and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of:

- (a) EverBlu (including entities related to principals of EverBlu) who will participate in the proposed issue of Broker Options the subject of this Resolution 7, or who will obtain a material benefit as a result of, the proposed issue of the Broker Options the subject of this Resolution 7 (except a benefit solely by reason of being a holder of ordinary securities in the entities); or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 7 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on Resolution 7, in accordance with directions given to the proxy or attorney to vote on Resolution 7 in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 7, in accordance with a direction given to the Chair of the Meeting to vote on Resolution 7 as the Chair of the Meeting decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on Resolution 7; and
  - the holder votes on Resolution 7 in accordance with directions given by the beneficiary to the holder to vote in that way.

**BY ORDER OF THE BOARD**

Elizabeth Spooner  
Company Secretary

# Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Extraordinary General Meeting of the Company to be held at 4.00pm (AEST) on 6 April 2021 at the offices of Automic Group, Level 5, 126 Phillip Street, Sydney, NSW 2000.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions set out in this Notice of Meeting.

If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice of Meeting and this Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

Full details of the business to be considered at the Extraordinary General Meeting are set out below.

## Resolutions

### **Resolution 1 and 2 – Approval of the appointment of Mr Arik Shor in the combined role as an active Chairman of the Board of Directors and Chief Executive Officer and approval of his Terms of Compensation**

On 30 July 2020, following the approval of the Board of Directors, Shareholders approved the appointment of Mr Arik Shor, by simple majority, (the "**Previous Meeting**") as an Executive Director of the Company.

On 31 July 2020, the Board of Directors appointed Mr Shor as an active Chairman of the Board of Directors and Chief Executive Officer of the Company.

However, pursuant to Section 121(c) of the Companies Law, the appointment of a person to the combined role of Chairman of the Board of Directors and Chief Executive Officer of the Company, is required to be approved by the Company's Shareholders by a Special Majority, and can be made for periods of up to three years each. Therefore, and further to the resolutions adopted at the Previous Meeting, it is proposed that Shareholders approve the appointment of Mr Shor to hold such combined role, for a period of up to three years, with effect from 1 August 2020.

Pursuant to Section 272(c1) of the Companies Law, the compensation arrangements of the Chief Executive Officer of the Company (including an arrangement which deviates from the Company's compensation policy (the "**Compensation Policy**")), is required to be approved by the Company's Shareholders by a Special Majority. The Company's Compensation Committee (the "**Committee**") and the Board of Directors have approved the Company's entry into a service agreement (the "**Service Agreement**") with Mr Shor. Under the Service Agreement, Mr Shor shall personally provide the services of an active Chairman of the Board of Directors and Chief Executive Officer of the Company (the "**Shor Services**"). The Shor Services will include such duties as are customarily associated with such positions and as may otherwise be assigned and/or designated to such positions by the Board of Directors and/or any applicable law from time to time.

Shareholders are requested to approve, effective as of 1 August 2020, the following terms of compensation of Mr Shor, in his combined position as an active Chairman of the Company's Board of Directors and Chief Executive Officer of the Company, all as set forth in the Service Agreement (the "**Terms of Compensation**"):

1. **Services Fee:** In consideration for the Shor Services, Mr Shor will be entitled to a monthly payment in the amount of thirty thousand Israeli shekels (**NIS**) (NIS 30,000) plus VAT, if applicable.
2. **Cash Bonus:** Mr Shor will be also eligible for a cash bonus in the amount equal to 1% of the amount

of the funds received by the Company pursuant to a Qualified Transaction (as defined below) (the "**Bonus**").

For the purpose hereof the term "**Qualified Transaction**" shall refer to any of the following:

- a. sale of the Company (in which case the Bonus to Mr Shor shall be paid by the Company as a transaction expense) or a major portion of its assets or a major portion of its activities;
  - b. consummation of an equity financing round in the Company in an amount not less than 10 million NIS (Mr Shor will not participate in such equity financing); or
  - c. raising of debt by the Company from third parties which are not banking institutions, provided (with regard to items b. and c.) that Mr Shor took an active role in leading the discussions and negotiations that resulted in the consummation of such third-party debt.
3. Reimbursement of expenses: Mr Shor will be eligible for reimbursement of reasonable out-of-pocket expenses directly related to the Shor Services, provided that such expenses: (i) were specifically approved in advance and in writing by the Company, and (ii) were invoiced to the Company in a timely fashion and by the end of each calendar quarter.
4. In addition, Mr Shor shall be entitled to the same insurance, indemnification and exculpation arrangements, as are currently in effect for the Company's officers and directors; all of which are in accordance with the Company's Articles of Association and Compensation Policy.

The Terms of Compensation are comprehensive and inclusive of any per-meeting or annual payments payable to Mr Shor in his capacity as an Executive Director of the Company. In making its recommendation to the Company's Shareholders, the Board of Directors each considered various factors, including, among others, (a) Mr Shor's compensation reflects a fair and reasonable value for his services and is considered customary for such positions in companies of similar scopes of activities; and (b) Mr Shor's position and responsibilities.

The Committee and Board of Directors found the Terms of Compensation reasonable under the circumstances, and that the approval thereof is in the best interests of the Company.

The Terms of Compensation, save for the Bonus, are in accordance with the Company's Compensation Policy. The Company's Compensation Policy caps the maximum annual bonus payable to its officers by five months base salary. Therefore, the Bonus payable to Mr Shor under a Qualified Transaction(s) may be in excess of such maximum amount and is a deviation from the Company's Compensation Policy.

Any issue of equity securities in the Company to Mr Shor will be subject to prior Shareholder approval.

As indicated in the explanatory statement for the Previous Meeting, Mr Shor is an experienced senior executive with a successful track record of increasing revenue, profit and business growth objectives within large and complex growing organisations. Mr Shor has extensive experience with highly intricate operations and logistics systems.

Mr Shor serves as an independent Director at Paz Oil Company Ltd, which is a publicly listed company on the Tel-Aviv stock exchange. Mr Shor also serves as a Chairman of the Board of Tadbik, a global leader in packaging solutions and Afimilk, a global leader in developing, manufacturing, and marketing advanced computerized systems for the modern dairy farm and herd management.

Mr Shor previously served as Chief Executive Officer of Tnuva Group from 2009 to 2016, which is the largest food conglomerate in Israel. Prior to this Mr Shor served as the Chief Executive Officer of Hogla Kimberly (a subsidiary of Kimberly Clarke).

Mr Shor holds a Bachelor of Arts in Computer Science and a Bachelor of Science in Civil Engineering from Technion, Israel Institute of Technology.

This resolution requirement is a requisite under Israeli Companies Law and is not required under the ASX Listing Rules.

### **Directors' recommendation**

The Directors (with Mr Shor abstaining) recommend that Shareholders vote in favour of Resolution 1.

The Directors (with Mr Shor abstaining) recommend that Shareholders vote in favour of Resolution 2.

## **Resolution 3 – Approval of the Company's Amended Share Incentive Plan and the issue of securities thereunder**

Under the Company's existing Share Incentive Plan, the Company may grant, to certain employees, officers, directors, service providers and consultants of the Company and its affiliates, who are expected to contribute to the Company's future growth and success, Options, restricted shares and restricted share units ("**RSUs**") of the Company.

The Company now proposes to amend its existing Share Incentive Plan to provide for the ability to issue performance rights ("**Performance Rights**").

Accordingly, the Company is now requesting that Shareholders approve the proposed amendments to the Share Incentive Plan ("**Amended Share Incentive Plan**") at the Extraordinary General Meeting. If Shareholder approval is obtained for this Resolution 3, it is the Board's intention to assign existing Performance Rights (including those held by related parties) which have been granted by the Company such that they fall under the governance of the Amended Share Incentive Plan.

Set out below is a high level overview of the securities which may be issued by the Company under the Amended Share Incentive Plan.

### **Options**

Options are certain rights to receive Shares of the Company upon satisfaction of the vesting conditions attaching to the Options and payment of the exercise price set for the Option. Unless and until an Option is exercised (and the Company has issued a Share to the holder of the Option), an Option shall not grant its holder any rights which are attached to the Company's Shares (such as voting rights, participation in any distribution, etc.).

### **RSUs**

RSUs are certain rights to receive Shares of the Company (unless explicitly stated otherwise – without paying any exercise price), that are subject to a vesting schedule (i.e. the RSUs shall vest periodically) and/or to certain share price levels set in the respective awards (e.g. – a certain portion of the RSUs shall vest only if the Company's Share price meets a target share price). Unless and until such RSUs are converted into Shares of the Company, such RSUs shall not grant their holders any rights which are attached to the Company's Shares (such as voting rights, participation in any distribution, etc.).

### **Performance Rights**

Performance Rights are rights to receive Shares in the Company upon satisfaction of certain vesting conditions. Previously, the Company has granted Performance Rights to certain employees and consultants including related parties of the Company, which vest (and entitle the holder to Shares) subject to meeting minimum sales targets (on a regional/territorial basis) of the Company's Innovendi Kit products. An "Innovendi Kit" is a product of the Company which consists of the following hardware: (a) four load cells for every shelf on the customer product; (b) an electronic weighing board for every shelf in the customer product; (c) a central control board, and (d) a computer unit, and the following software: (a) operating software, (b) algorithm control; and (c) data analysis.

All other terms and conditions that apply to the Options, RSUs and Performance Rights which may be issued under the Amended Share Incentive Plan are described in detail in the Amended Share Incentive Plan which is attached at Annexure A to this Notice of Meeting.

### **ASX Listing Rules**

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.

Listing Rule 7.2 (Exception 13(b)) excludes from the restriction in Listing Rule 7.1, an issue of securities which is made under an employee incentive scheme if within 3 years before the issue date of the relevant securities, the holders of the listed company's ordinary securities have approved the issue of securities under the employee incentive scheme as an exception to Listing Rule 7.2. If this Resolution 3 is approved by Shareholders for the purpose of ASX Listing Rule 7.2 (Exception 13(b)), it will have the effect of enabling any future securities issued by the Company under the Amended Share Incentive Plan to be automatically excluded from the formula to calculate the number of securities which the Company may issue in any 12-month period using Listing Rule 7.1 (15% capacity) during the next three-year period.

Since the Share Incentive Plan was last approved by Shareholders on 7 February 2018, the Company advises that it has issued 19,427,064 Options under the Share Incentive Plan. The Company has not:

- [issued any other securities under the Share Incentive Plan since it was last approved by Shareholders for the purposes of ASX Listing Rule 7.2 (Exception 13); and]
- issued any securities under the Amended Share Incentive Plan.

If this Resolution 3 is approved by Shareholders, the Company proposes to issue up to a maximum of 25,000,000 RSUs, under the Amended Share Incentive Plan during the three year period following approval (for the purposes of Exception 13 to Listing Rule 7.1).

### **Directors Recommendation**

The Board of Directors recommend that Shareholders vote in favour of Resolution 3.

## **Resolution 4 – Ratification of prior issue of Shares issued under ASX Listing Rule 7.1**

On 18 January 2021, the Company announced that it had received firm commitments from institutional, professional and sophisticated investors ("**Placement**") to subscribe for 13,125,000 new Shares ("**Placement Shares**") at an issue price of \$0.16 per Placement Share ("**Placement Shares**"), raising A\$2.10 million (before costs) for the Company.

As part of the Placement, each Placement Share attaches a 1-for-2 entitlement to Options (being 1 Option for every 2 Placement Shares subscribed for in the Placement), exercisable at A\$0.32 per Option with an expiry date of twelve (12) months from the date of issue of the Option.

On 25 January 2021, the Company issued 13,125,000 Placement Shares utilising its available placement capacity under Listing Rule 7.1.

### **ASX Listing Rule 7.1**

This Resolution 4 proposes that Shareholders of the Company approve and ratify the prior issue and allotment of 13,125,000 Placement Shares, which were issued by the Company on 25 January 2021 ("**Placement Issue Date**").

All of the Placement Shares were issued by utilising the Company's available placement capacity under Listing Rule 7.1.

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.

Listing Rule 7.4 provides an exception to Listing Rule 7.1 by broadly providing that where a listed company, in general meeting, ratifies a previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach the listed company's available placement capacity under Listing Rule 7.1), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1. The issue of the Placement Shares did not fall within any of the

exceptions to Listing Rule 7.1 and, as the issue of the Placement Shares has not yet been approved by the Company's Shareholders, it effectively uses up part of the Company's 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 Placement Issue Date.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. To this end, this Resolution 4 seeks Shareholder approval to ratify the prior issue of the Placement Shares for the purposes of Listing Rule 7.4.

If this Resolution 4 is approved by Shareholders, the issue of the Placement Shares will be excluded from the calculation of the Company's 15% capacity to issue equity securities under Listing Rule 7.1 without Shareholder approval over the 12-month period following the Placement Issue Date.

If this Resolution 4 is not approved by Shareholder, the issue of Placement Shares will be included in calculating the Company's 15% capacity to issue equity securities under Listing Rule 7.1 without Shareholder approval over the 12-month period following the Placement Issue Date.

### **Information required by ASX Listing Rule 7.5**

The following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) *The names of the persons to whom the Company issued or agreed to issue the Placement Shares or the basis on which those persons were identified or selected*

The Placement Shares were issued in the Placement to a range of sophisticated, professional and institutional investors introduced to the Company by the lead manager to the Placement, EverBlu.

- (b) *The number and class of securities the Company issued or agreed to issue*

The Company issued 13,125,000 Placement Shares utilising its available placement capacity under Listing Rule 7.1.

- (c) *If the securities are not fully paid ordinary securities, a summary of the material terms of the securities*

The Placement Shares are fully paid ordinary shares and rank equally in all aspects with all existing fully paid ordinary shares previously issued by the Company with effect from their date of issue. The Placement Shares were issued on 25 January 2021.

- (d) *The price or other consideration the Company has received or will receive for the issue of the Placement Shares*

Each Placement Share was issued at an issue price of A\$0.16 per Placement Share, which raised a total of A\$2.1 million (before costs) for the Company.

- (e) *The purpose of the issue, including the use or intended use of any funds raised by the issue*

Funds raised from the issue of the Placement Shares have been and will be used by the Company to continue product development in the company's Retail Innovation and Shekel Scales divisions, and advancing the Go To Market strategy of its autonomous micro store and micro market coolers.

- (f) *If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement*

The Placement Shares were not issued under an agreement, but were issued pursuant to the Placement.

- (g) *A voting exclusion statement*

A voting exclusion statement for Resolution 4 is included in this Notice.

### **Directors' recommendation**

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

## **Resolution 5 – Ratification of prior issue of Placement Options issued under ASX Listing Rule 7.1**

On 18 January 2021, the Company announced that as part of the Placement each Placement Share subscribed for would also have attached a 1-for-2 entitlement to Options, exercisable at A\$0.32 per Option with an expiry date of twelve (12) months from the date of issue of the Option ("**Placement Options**").

On 25 January 2021, the Company issued 6,562,500 Placement Options utilising its available placement capacity under Listing Rule 7.1.

### **ASX Listing Rule 7.1**

This Resolution 5 proposes that Shareholders of the Company approve and ratify the prior issue and allotment of 6,562,500 Placement Options, which were issued by the Company on 25 January 2021 ("**Placement Option Issue Date**").

All of the Placement Options were issued by utilising the Company's available placement capacity under Listing Rule 7.1.

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.

Listing Rule 7.4 provides an exception to Listing Rule 7.1 by broadly providing that where a listed company, in general meeting, ratifies a previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach the listed company's available placement capacity under Listing Rule 7.1), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

The issue of the Placement Options did not fall within any of the exceptions to Listing Rule 7.1 and, as the issue of the Placement Options has not yet been approved by the Company's Shareholders, it effectively uses up part of the Company's 15% placement capacity in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under ASX Listing Rule 7.1 for the 12 month period following the Placement Option Issue Date.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. To this end, this Resolution 5 seeks Shareholder approval to ratify the prior issue of the Placement Options for the purposes of Listing Rule 7.4.

If this Resolution 5 is approved by Shareholders, the issue of the Placement Options will be excluded from the calculation of the Company's 15% capacity to issue equity securities under Listing Rule 7.1 without Shareholder approval over the 12-month period following the Placement Option Issue Date.

If this Resolution 5 is not approved by Shareholders, the Placement Options will be included in calculating the Company's 15% capacity to issue equity securities under Listing Rule 7.1 without Shareholder approval over the 12-month period following the Placement Option Issue Date.

### **Information required by ASX Listing Rule 7.5**

The following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) *The names of the persons to whom the Company issued or agreed to issue the Placement Options or the basis on which those persons were identified or selected*

The Placement Options were issued in the Placement to a range of sophisticated, professional and institutional investors introduced to the Company by the lead manager to the Placement, EverBlu.

- (b) *The number and class of securities the Company issued or agreed to issue*

The Company issued 6,562,500 Placement Options utilising its available placement capacity under

Listing Rule 7.1. The Placement Options were issued on 25 January 2021.

- (c) *If the securities are not fully paid ordinary securities, a summary of the material terms of the securities*

As part of the Placement each Placement Share subscribed for will also have attached a 1-for-2 entitlement to Placement Options, exercisable at A\$0.32 per Option with an expiry date of twelve (12) months from the date of issue of the Placement Options. Shares issued on conversion of the Placement Options will rank equally in all aspects with all existing fully paid ordinary shares previously issued by the Company. The material terms of the Placement Options are set out in Annexure B of this Notice.

- (d) *The price or other consideration the Company has received or will receive for the issue of the Placement Options*

The Placement Options were issued for nil consideration. However, each Placement Option is exercisable at \$0.32 per Placement Option and has an expiry date of twelve (12) months from the Placement Option Issue Date. Shares issued on exercise of the Placement Options will rank equally in all aspects with all existing Shares previously issued by the Company with effect from their date of issue.

The Placement Options will be offered for nil cash consideration.

- (e) *The purpose of the issue, including the use or intended use of any funds raised by the issue*

Funds will not be raised from the issue of the Placement Options as the issue forms part of the Placement offer, of which each Placement Share will also have attached a 1-for-2 entitlement to the Placement Options. However, the proceeds received by the Company upon exercise of the Placement Options will be used by the Company to continue product development in the company's Retail Innovation and Shekel Scales divisions, and advancing the Go To Market strategy of its autonomous micro store and micro market coolers.

- (f) *If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement*

As part of the Placement each Placement Share subscribed for will also have attached a 1-for-2 entitlement to Placement Options, exercisable at A\$0.32 per Option with an expiry date of twelve (12) months from the date of issue of the Placement Options.

- (g) *A voting exclusion statement*

A voting exclusion statement for Resolution 5 is included in this Notice.

### **Directors' recommendation**

The Board of Directors recommend that Shareholders vote in favour of Resolution 5.

## **Resolution 6 – Ratification of prior issue of Broker Shares issued under ASX Listing Rule 7.1**

As announced by the Company on 18 January 2021, the Company signed a capital raising mandate with EverBlu to lead manage and arrange the Placement announced by the Company on 18 January 2021 ("**Lead Manager Mandate**").

For acting as lead manager to the Placement and offering management services, the Company agreed to:

- (a) pay EverBlu a fee of 6% of the proceeds received under the Placement (being A\$126,000 (plus GST)) of A\$2,100,000;
- (b) issue to EverBlu one Share for every A\$2 raised in the Placement (being 1,050,000 Shares ("**Broker Shares**")); and

- (c) subject to Shareholder approval, issue to EverBlu 15,000,000 Options ("**Broker Options**") each exercisable at \$0.32 per Option with an expiry date of 24 months from the date of issue of the Broker Options.

On 25 January 2021, the Company issued 1,050,000 Broker Shares to EverBlu and entities related to, or nominees of, EverBlu utilising its available placement capacity under Listing Rule 7.1.

### **ASX Listing Rule 7.1**

This Resolution 6 proposes that Shareholders of the Company approve and ratify the prior issue and allotment of 1,050,000 Broker Shares to EverBlu and entities related to, or nominees of, EverBlu, which were issued by the Company on 25 January 2021 ("**Broker Share Issue Date**").

All of the Broker Shares were issued by utilising the Company's available placement capacity under Listing Rule 7.1.

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.

Listing Rule 7.4 provides an exception to Listing Rule 7.1, by broadly providing that where a listed company, in general meeting, ratifies a previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach the listed company's available placement capacity under Listing Rule 7.1), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

The issue of the Broker Shares did not fall within any of the exceptions to Listing Rule 7.1 and, as the issue of the Broker Shares has not yet been approved by the Company's Shareholders, it effectively uses up part of the Company's 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 Broker Share Issue Date.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. To this end, this Resolution 6 seeks Shareholder approval to subsequently ratify the prior issue of the Broker Shares for the purposes of Listing Rule 7.4.

If this Resolution 6 is approved by Shareholders, the issue of the Broker Shares will be excluded from calculation of the Company's 15% capacity to issue equity securities under Listing Rule 7.1 without Shareholder approval over the 12-month period following the Broker Share Issue Date.

If this Resolution 6 is not approved by Shareholders, the Broker Shares will be included in calculating the Company's 15% capacity to issue equity securities under Listing Rule 7.1 without Shareholder approval over the 12-month period following the Broker Share Issue Date.

### **Information required by ASX Listing Rule 7.5**

The following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) *The names of the persons to whom the Company issued or agreed to issue the Broker Shares or the basis on which those persons were identified or selected*

The Broker Shares were issued to EverBlu and entities related to, or nominees of, EverBlu (none of whom are related parties of the Company).

- (b) *The number and class of securities the Company issued or agreed to issue*

The Company issued 1,050,000 Broker Shares utilising its available placement capacity under Listing Rule 7.1.

- (c) *If the securities are not fully paid ordinary securities, a summary of the material terms of the securities*

The Broker Shares are fully paid ordinary shares and rank equally in all aspects with all existing fully paid ordinary shares previously issued by the Company with effect from their date of issue.

- (d) *The date or dates on which the securities were or will be issued*

The Broker Shares were issued on 25 January 2021.

- (e) *The price or other consideration the Company has received or will receive for the issue of the Broker Shares*

The Broker Shares were offered for nil cash consideration and were issued as consideration for services provided by EverBlu to the Company in connection with the Placement.

- (f) *The purpose of the issue, including the intended use of any funds raised by the issue*

Funds will not be raised from the issue of the Broker Shares as the issue is proposed to comprise part of the fee payable to EverBlu for acting as lead manager to the Placement (details of which were announced by the Company to ASX on 18 January 2021).

- (g) *If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement*

The Broker Shares were issued pursuant to the Lead Manager Mandate. The material terms of the Lead Manager Mandate are set out in Annexure C of this Notice.

- (h) *A voting exclusion statement*

A voting exclusion statement for Resolution 6 is included in this Notice.

### **Directors' recommendation**

The Board of Directors recommend that Shareholders vote in favour of Resolution 6.

## **Resolution 7 – Approval of Issue of Broker Options to EverBlu**

### **Background**

As announced by the Company on 18 January 2021, the Company signed the Lead Manager Mandate with EverBlu pursuant to which EverBlu agreed to lead manage the Placement.

For acting as lead manager to the Placement and offering management services, the Company agreed to:

- (a) pay EverBlu a fee of 6% of the proceeds received under the Placement (being A\$126,000 (plus GST)) of A\$2,100,000;
- (b) issue to EverBlu (or entities related to, or nominees of, EverBlu) one Share per A\$2 raised in the Placement (being the 1,050,000 Broker Shares); and
- (c) subject to Shareholder approval, issue to EverBlu (or entities related to, or nominees of, EverBlu) the Broker Options each exercisable at \$0.32 per Broker Option with an expiry date of 24 months from the date of issue of the Broker Options.

This Resolution 7 seeks Shareholder approval to issue and allot the Broker Options to EverBlu (or to entities related to, or nominee of, EverBlu) as part of the fee payable to EverBlu for acting as lead manager to the Placement.

The effect of this Resolution 7 is for Shareholders to approve the issue of the Broker Options for the purposes of ASX Listing Rule 7.1, which will allow the Company to issue the Broker Options without using the Company's available placement capacity under Listing Rule 7.1.

### **ASX Listing Rule 7.1**

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. [ The Company is seeking Shareholder approval for the issue of the Broker Options on the basis that it does not have sufficient available placement capacity under Listing Rule 7.1 to issue the Broker Options

without first obtaining Shareholder approval.

An issue of equity securities that is approved by the Company's Shareholders for the purposes of Listing Rule 7.1 will not be counted in the calculation of the Company's 15% placement capacity under Listing Rule 7.1 and therefore does not reduce the Company's capacity to issue further equity securities in the future without Shareholder approval under Listing Rule 7.1.

To this end, this Resolution 7 seeks Shareholder approval to approve the issue of the Broker Options under, and for the purposes of, Listing Rule 7.1.

If this Resolution 7 is approved by Shareholders, the issue of the Broker Options will be excluded from the calculation of the Company's 15% limit in Listing Rule 7.1 to issue equity securities without Shareholder approval over the 12 month period following the date on which the Broker Options are issued.

If this Resolution 7 is not approved by Shareholders, the Company will be required to call a further general meeting to seek approval of Broker Options at a later date.

### **Information Required by Listing Rule 7.3**

The following information is provided to Shareholders for the purposes of ASX Listing Rule 7.3:

- (a) *The names of the persons to whom the Company will issue the securities or the basis upon which those persons were or will be identified or selected*

The Broker Options will be issued to EverBlu (or to entities related to, or nominee of, EverBlu).

- (b) *The number and class of securities the Company will issue*

The maximum number of unlisted options which will be issued to EverBlu (or to entities related to, or nominee of, EverBlu) is 15,000,000.

- (c) *If the securities are not fully paid ordinary securities, a summary of the material terms of the securities*

The Broker Options are exercisable at \$0.32 per Broker Option and have an expiry date of 24 months from the date of issue of the Broker Options. Shares issued on exercise of the Broker Options will rank equally in all aspects with all existing fully paid ordinary shares previously issued by the Company with effect from their date of issue. The material terms of the Lead Manager Mandate are set out in Annexure C of this Notice of Meeting. The full terms of the Broker Options are set out in Annexure D of this Notice of Meeting.

- (d) *The date or dates on or by which the Company will issue the securities*

The Broker Options will be issued by within 3 months of Shareholder approval being obtained by the Company at this Meeting (or otherwise, as determined by the ASX in the exercise of their discretion if the Company obtains the relevant ASX waiver).

- (e) *The price or other consideration the Company will receive for the securities*

The Broker Options will be offered for nil cash consideration pursuant to the Lead Manager Mandate. The material terms of the Lead Manager Mandate are set out in Annexure C of this Notice.

However, each Broker Option will have an exercisable of \$0.32 per Broker Option.

- (f) *The purpose of the issue, including the intended use of any funds raised by the issue*

Funds will not be raised from the issue of the Broker Options as the issue is proposed to comprise part of the fee payable to EverBlu for acting as lead manager to the Placement. [However, the proceeds received by the Company upon exercise of the Broker Options will be used by the Company to continue product development in the company's Retail Innovation and Shekel Scales divisions, and advancing the Go To Market strategy of its autonomous micro store and micro market coolers alongside its Fast-Track checkout system.

- (g) *If the securities are being issued under an agreement, a summary of any other material terms of the agreement*

The Broker Options will be issued, subject to shareholder approval, under the Lead Manager Mandate. The material terms of the Lead Manager Mandate are set out in Annexure C of this Notice of Meeting. The full terms of the Broker Options are set out in Annexure D of this Notice of Meeting.

## Enquiries

Shareholders are asked to contact the Company Secretary on [elizabeth.spooner@atomicgroup.com.au](mailto:elizabeth.spooner@atomicgroup.com.au) if they have any queries in respect of the matters set out in these documents.

# Glossary

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

**Amended Share Incentive Plan** means the employee incentive scheme entitled "Amended Share Incentive Plan" for which Shareholder approval is being sought for the adoption of under Resolution 3 of this Notice of Meeting.

**Articles of Association** means the Company's articles of association.

**ASIC** means Australian Securities and Investment Commission.

**Associate** has the meaning given to it by the ASX Listing Rules.

**ASX** means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

**ASX Listing Rules** or **Listing Rules** means the official ASX Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

**Board** means the current board of Directors of the Company.

**Bonus** has the meaning given to that term in the background to Resolution 1 and 2 set out in the Explanatory Statement.

**Broker Options** has the meaning given to that term in the background to Resolution 6 set out in the Explanatory Statement.

**Broker Shares** has the meaning given to that term in the background to Resolution 6 set out in the Explanatory Statement.

**Broker Share Issue Date** has the meaning given to that term in the background to Resolution 6 set out in the Explanatory Statement.

**Business Day** means a day on which trading takes place on the stock market of ASX.

**Chair** means the person chairing the Meeting.

**Committee** has the meaning given to that term in the background to Resolution 1 and 2 set out in the Explanatory Statement.

**Company** means Shekel Brainweigh Ltd ABRN 625 669 445.

**Companies Law** means the Israeli *Companies Law, 5759-1999*

**Compensation Policy** has the meaning given to that term in the background to Resolution 1 and 2 set out in the Explanatory Statement.

**Conseptia** means Conseptia (2006) Ltd.

**Controlling Shareholder** means any shareholder that has the ability to direct the Company's activities (other than by means of being a director or office holder of the Company)

**Corporations Act** means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

**Director** means a current director of the Company.

**Dollar** or "\$" means Australian dollars.

**EverBlu** means EverBlu Capital Pty Ltd.

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

**Extraordinary General Meeting** or **EGM** or **Meeting** means an Extraordinary General Meeting of the Company and, unless otherwise indicated, means the meeting of the Company's members convened by this Notice of Meeting.

**Key Management Personnel** means key management personnel (including the Directors) whose remuneration details are included in the remuneration report (of the Company's last lodged annual report).

**Lead Manager Mandate** has the meaning given to that term in the background to Resolution 6 set out in the Explanatory Statement.

**Loan** has the meaning given to that term in the background to Resolution 4 set out in the Explanatory Statement.

**Loan Agreement** has the meaning given to that term in the background to Resolution 4 set out in the Explanatory Statement.

**Loan Amount** has the meaning given to that term in the background to Resolution 4 set out in the Explanatory Statement.

**Notice of Meeting** or **Notice of Extraordinary General Meeting** means this notice of extraordinary general meeting dated 5 March 2021 including the Explanatory Statement.

**Option** means an unlisted option which, subject to its terms, could be exercised into a Share.

**Ordinary Resolution** means a resolution that can only be passed if at least 50% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

**Performance Right** means an unlisted performance right which, subject to its terms, could convert to a Share.

**Placement** has the meaning given to that term in the background to Resolution 5 set out in the Explanatory Statement.

**Placement Options** has the meaning given to that term in the background to Resolution 6 set out in the Explanatory Statement.

**Placement Option Issue Date** has the meaning given to that term in the background to Resolution 6 set out in the Explanatory Statement.

**Placement Shares** has the meaning given to that term in the background to Resolution 5 set out in the Explanatory Statement.

**Placement Issue Date** has the meaning given to that term in the background to Resolution 5 set out in the Explanatory Statement.

**Previous Meeting** has the meaning given to that term in the background to Resolution 1 and 2 set out in the Explanatory Statement.

**Proxy Form** means the proxy form attached to this Notice of Meeting.

**Qualified Transaction** has the meaning given to that term in the background to Resolution 1 and 2 set out in the Explanatory Statement.

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

**Restricted Share Units** or **RSUs** means a restricted share unit which, subject to its terms, could convert to a Share.

**Securities** mean Shares and/or Options (as the context requires).

**Service Agreement** has the meaning given to that term in the background to Resolution 1 and 2 set out in the Explanatory Statement.

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

**Share Incentive Plan** means the employee incentive scheme adopted by Shekel Scales (2008) Ltd on 7 February 2018, which was assigned to the Company on 5 August 2018.

**Shareholder** means a holder of a Share.

**Share Registry** means Automic Pty Ltd.

**Shor Services** has the meaning given to that term in the background to Resolution 1 and 2 set out in the Explanatory Statement.

**Special Majority** means the affirmative vote of the Shareholders holding at least a majority of the Shares present, in person or by proxy, and voting on the matter, provided that either (i) such a majority includes at least the majority of the votes of shareholders who are not Controlling Shareholders or do not have personal interest in the approval of the transaction (abstentions will not be taken into account); or (ii) the total number of votes against such proposal among the Shareholders mentioned in clause (i) above does not exceed two percent (2%) of the total voting rights in the Company.

**Subsidiary** has the meaning given to that term in the background to Resolution 4 set out in the Explanatory Statement.

**Terms of Compensation** has the meaning given to that term in the background to Resolution 1 and 2 set out in the Explanatory Statement.

**Annexure A**  
**Shekel Brainweigh Ltd**  
**AMENDED SHARE INCENTIVE PLAN**

**1. PURPOSE**

The purpose of this Share Incentive Plan is to secure for Shekel Brainweigh Ltd and its shareholders the benefits arising from ownership of share capital by employees, officers, directors, service providers and consultants of the Company and its Affiliates (as defined below), who are expected to contribute to the Company's future growth and success, by providing them with opportunities to acquire a proprietary interest in the Company by the issuance of Shares or restricted Shares ("**Restricted Shares**") of the Company, and by the grant of options to purchase Shares and Restricted Share Units ("**RSUs**"), and/or Performance Rights (as defined in Section 29 herein).

Awards granted under the Plan to service providers in various jurisdictions may be subject to specific terms and conditions for such grants as may be set forth in one or more separate appendices to the Plan, as may be approved by the Board from time to time.

**2. DEFINITIONS**

2.1. Defined Terms. Initially capitalized terms, as used in this Plan, shall have the meaning ascribed thereto as set forth below:

|                     |   |
|---------------------|---|
| "Administrator"     | means the Board, or a committee to which the Board shall have delegated power to act on its behalf with respect to the Plan. Subject to the Articles of Association of the Company, the Administrator, if it is a committee, shall consist of such number of members (but not less than two (2)) as may be determined by the Board.   |
| "Affiliate(s)"      | means with respect to any Person, (i) any other Person, directly or indirectly, controlling, controlled by or under common control with such Person, and (ii) any other Person determined by the Administrator.   |
| "ASX"               | shall mean ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.  |
| "ASX Listing Rules" | shall mean the official listing rules of ASX.   |
| "Award"             | shall mean any Option, Share, Restricted Share, or RSUs or Performance Rights.  |
| "Award Letter"      | means a letter from the Company or Affiliate to a Participant in which the Participant is notified of the decision to Grant to the Participant Awards according to the terms of the Plan. The Award Letter shall specify (i) the type of Award (ii) the Tax Provision under which the Award is Granted; (iii) the Tax Track that the Company chose according to Section 11 of the Plan (if applicable); (iv) the Exercise Price; and (v) the number of Awards Granted to the Participant; (vi) the Vesting Schedule; and (vii) any other terms the Company deems fit. |
| "Board"             | means the board of directors of the Company.  |
| "Cause"             | shall, with respect to each Participant, have the same meaning ascribed to such term or a similar term in the Participant's employment or other engagement agreement or other documents to which the Company or any of its parents, subsidiaries, affiliates or related entities and the Participant are a party concerning the provision of services by the Participant to the Company or any such entities, or, in the absence of such an agreement or  |

definition: (i) any breach by Participant's obligations towards the Company (or any of its Affiliates) in accordance with such Participants employment agreement, services agreement, non-disclosure agreement, assignment of invention agreement, non-compete agreement, or any other instrument or agreement to which the Participant is bound; (ii) any dishonest act on the part of the Participant including without limitations - fraud, theft, breach of fiduciary duty, embezzlement; (iii) any criminal offense by Participant; (iv) any act by Participant that may adversely affect the reputation, business, or business relationship of the Company (or its Affiliates); or (v) any failure by Participant to abide by the Company's policies or code of conduct; (vi) any circumstances that constitute grounds for termination for cause under the Participants employment or service agreement with the Company or its Affiliates.

|                           |   |
|---------------------------|---|
| "Commencement Date"       | means the date of commencement of the vesting schedule with respect to a Grant of Awards which, unless otherwise determined by the Administrator, shall be the date of the decision of the Grant of the Awards by the Administrator.  |
| "Company"                 | means Shekel Brainweigh Ltd., a company incorporated under the laws of the State of Israel.   |
| "Consideration"           | means with respect to outstanding Awards, the right to receive, for each Share subject to the Award immediately prior to the M&A Transaction, the consideration (whether shares, cash, or other securities or property) received in the M&A Transaction by holders of Shares of the Company for each Share held on the effective date of the Transaction, or any type of consideration determined by the Administrator, at its sole discretion, including a cashless exercise method. |
| "Consultant"              | means an Israeli resident who is not entitled to receive Awards under Section 102, on behalf of whom an Award is Granted under Section 3i.  |
| "Control" or "Controlled" | For purposes of this definition and the Plan, the term "control" (and correlative terms) shall mean the ability to direct the activity of a Person, and a Person shall be presumed to control another Person if he holds 10% or more of (1) the voting rights at a general meeting (or the equivalent governing body) of a Person; (2) the right to appoint directors (or the equivalent governing body) of a Person.   |
| "Disability"              | means total and permanent physical or mental impairment or sickness of a Participant, making it impossible for the Participant to continue such Participant's employment with or service to the Company or Affiliate.   |
| "Exercise" "Exercised"    | Exercise, exercised and words of similar import, when referring to an Award that does not require exercise or that is settled upon vesting (such as may be the case with RSUs or Restricted Shares, if so determined in their terms), shall be deemed to refer to the vesting of such an Award (regardless of whether or not the wording included reference to vesting of such an Awards explicitly).   |
| "Exercise Price"          | means, the price determined by the Administrator in accordance with Section 7.1 below which is to be paid to the Company in order to exercise a Granted Option and convert such into an Underlying Share, or the purchase price for each Share covered by any other Award.  |
| "Fair Market Value"       | Means, as of any date, the value of a Share determined as follows:  |

(i) If the Shares are listed on any established stock exchange or a national market system, including without limitation the Tel-Aviv Stock Exchange, the ASX, the NASDAQ National Market system, or the NASDAQ SmallCap Market of the NASDAQ Stock Market, the Fair Market Value shall be the closing sales price for such Shares (or the closing bid, if no sales were reported), as quoted on such exchange or system for the last market trading day prior to time of determination, as reported in the Wall Street Journal, or such other source as the Board deems reliable. Without derogating from the above, solely for the purpose of determining the tax liability pursuant to Section 102(b)(3) of the Tax Ordinance, if at the Date of Grant the Company's shares are listed on any established stock exchange or a national market system or if the Company's shares will be registered for trading within ninety (90) days following the Date of Grant, the Fair Market Value of a Share at the Date of Grant shall be determined in accordance with the average value of the Company's shares on the thirty (30) trading days preceding the Date of Grant or on the thirty (30) trading days following the date of registration for trading, as the case may be;

(ii) If the Shares are regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value shall be the mean between the high bid and low asked prices for the Shares on the last market trading day prior to the day of determination, or;

(iii) In the absence of an established market for the Shares, the Fair Market Value thereof shall be determined in good faith by the Board

|                   |  |
|-------------------|--|
| "Grant of Awards" | with respect to Awards, means the grant of Awards by the Company to a Participant pursuant to an Award Letter issued to the Participant.   |
| "Holding Period"  | means with regard to Awards Granted under Section 102, the period in which the Awards granted to a Participant or, upon exercise thereof the Underlying Shares, are to be held by the Trustee on behalf of the Participant, in accordance with Section 102, and pursuant to the Tax Track which the Company selects.   |
| "IPO"             | means the initial public offering of shares of the Company and the listing of such shares for trading on any recognized stock exchange or over-the-counter or computerized securities trading system.  |
| "Law"             | means the laws of the State of Israel as are in effect from time to time.  |
| "M&A Transaction" | means a "Deemed Liquidation Event" or other similar terms defined in the Articles of Association of the Company, and in the absence of such definition each of the following events: (i) any merger, reorganization or consolidation of the Company with or into another incorporated Person, or the acquisition of the Company by another Person by means of any transaction or series of related transactions, except any such merger, reorganization or consolidation in which the issued shares of the Company as of immediately prior to such transaction continue to represent, or are converted into or exchanged for shares that represent, immediately following such merger, reorganization, or consolidation, at least a majority, by voting power, of the outstanding shares of the surviving or acquiring incorporated Person; or (ii) a sale or other disposition of all or substantially all of the shares or assets of the Company (including, for this purpose, a conveyance, sale or disposition, or a license of all or substantially all of the intellectual property rights of the Company, which has the effect or |

economic impact similar to a sale of all or substantially all of the intellectual property rights of the Company), in a single transaction or a series of related transactions.

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| "Notice of Exercise"                   | shall have the meaning set forth in Section 7.4 below.   |
| "Option"                               | means an option to purchase one Share of the Company.  |
| "Non-Qualified Participant"            | means any person who is not qualified to receive Awards under the provisions of Section 102, on behalf of whom an Award is Granted pursuant to Section 3i.   |
| "Participant"                          | means an Qualified Participant, or a Non-Qualified Participant.  |
| "Person"                               | means any individual, corporation, partnership, company, estate, trust, association or other organization or entity.   |
| "Plan" or "Incentive Plan"             | means this Share Incentive Plan, as may be amended from time to time.  |
| "Qualified Participant"                | an Israeli resident who is employed by the Company or its Affiliates, including an individual who is serving as a director or an office holder, but excluding any controlling stockholder according to the meaning ascribed to it in Section 32(9) of the Tax Ordinance, all in accordance with and subject to the provisions of Section 102 of the Tax Ordinance. |
| "Retirement"                           | means the termination of a Participant's employment as a result of his or her reaching the earlier of (i) the age of retirement as defined by Law; or (ii) the age of retirement specified in the Participant's employment agreement.  |
| "Section 102"                          | means Section 102 of the Tax Ordinance.  |
| "Section 102 Rules"                    | means the Income Tax Rules (Tax Relief for Issuance of Shares to Employees), 2003.   |
| "Section 3(i)" or "Section 3(i) Rules" | means section 3(i) of the Israeli Tax Ordinance and the applicable rules thereto or under applicable regulations.  |
| "Share(s)"                             | means an ordinary share(s) of the Company with par value of NIS 0.01 (or of such other class as determined by the Board).  |
| "Tax Ordinance"                        | means the Israeli Income Tax Ordinance [New Version], 1961, as amended, and any regulations, rules, orders or procedures promulgated thereunder.   |
| "Tax Track"                            | means one of the tax tracks described under Section 102.   |
| "Tax Provision"                        | means, with respect to the Grant of Awards, the provisions of one of the three Tax Tracks in Section 102, or the provisions of 3i.   |
| "Term of the Awards"                   | means, with respect to Granted but unexercised Awards, the time period set forth in Section 9 below.   |
| "Trustee"                              | means a Trustee appointed by the Company to hold in trust, Options and the Underlying Shares issued upon exercise of such Options, Restricted Shares or RSU's on behalf of Participants.   |
| "Underlying Shares"                    | means Shares issued or to be issued upon exercise of Granted Awards, all in accordance with the Plan.  |

2.2. General. Without derogating from the meanings ascribed to the capitalized terms above, all singular references in this Plan shall include the plural and vice versa, and reference to one gender shall include the other, unless otherwise required by the context.

### **3. SHARES AVAILABLE FOR AWARDS**

The total number of Underlying Shares reserved for issuance under the Plan and any modification thereof, shall be determined from time to time by the Board. Such number of Shares shall be subject to adjustment as required for the implementation of the provisions of the Plan, in accordance with Section 4.below 4

In the event that Awards granted under the Plan expire or otherwise terminate in accordance with the provisions of the Plan, such expired or terminated Awards shall become available for future Grants under the Plan.

#### **4. ADJUSTMENTS**

In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares occurs, the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, may (in its sole discretion) adjust the number and class of Shares that may be delivered under the Plan and/or the number, class, and price of Shares covered by each outstanding Award. Upon the occurrence of any such adjustment, references in this Plan to Shares and Underlying Shares shall be construed to mean the Shares of the Company subject to the Plan as so determined by the Administrator, following such adjustment.

In case of distribution of a cash dividend, so long as Shares deposited with the Trustee on behalf of a Participant are held in trust, the Company shall transfer to the Trustee the amount of dividend resulting from the Underlying Shares held by the Trustee for the benefit of Participants in accordance with the provisions of this Plan. The Trustee shall deduct all applicable taxes from the dividend amount and transfer the remaining dividend amount to such Participants.

#### **5. ADMINISTRATION OF THE PLAN**

5.1. Power. Subject to the Law, the Articles of Association of the Company, and any resolution to the contrary by the Board, the Administrator is authorized, in its sole and absolute discretion, to exercise all powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan, including, without limitation, to determine:

- (a) the identity of the Participants in the Plan.
- (b) the number of Awards to be Granted for each Participant's benefit and the Exercise Price (subject to the approval of the Board if such approval is required by Law);
- (c) the time or times at which Awards shall be Granted;
- (d) whether, to what extent, and under what circumstances an Award may be settled, cancelled, forfeited, exchanged, or surrendered;
- (e) any terms and conditions in addition to those specified in the Plan under which an Award may be Granted; and
- (f) any measures, and to take actions, as deemed necessary or advisable for the administration and implementation of the Plan.
- (g) to interpret the provisions of the Plan and to take all actions resulting there from including without limitation;

- (h) subject to Section 7 to accelerate the date on which any Award under the Plan becomes exercisable;
- (i) to waive or amend Plan provisions relating to exercise of Awards, including exercise of Awards after termination of employment, for any reason; and
- (j) to amend any of the terms of the Plan, or any prior determinations of the Administrator;
- (k) to adopt supplements to the Plan, including without limitations in order to accommodate tax regime of foreign jurisdictions.
- (l) all decisions made by the Administrator with respect to the Plan, the interpretation thereof, shall be final and binding upon all Participants.

## 5.2. Limitations.

- (a) with respect to any action necessary for the administration of the Plan, which is under any applicable Law or the Company's Articles of Association, required to be taken by the Board, without any right of delegation, notwithstanding anything to the contrary herein, such action shall be taken by the Board.
- (b) Notwithstanding the provisions of Section 5.1 above, no interpretations, determinations or actions of the Administrator shall contradict the provisions of applicable Law

5.3. Admission to the Official List of ASX. If the Company shall be admitted to the ASX, the provisions of the ASX Listing Rules will apply to the Plan, and to the extent that the Plan and the ASX Listing Rules are inconsistent, the provisions of the ASX Listing Rules will prevail.

## 6. GRANT AND ALLOCATION OF AWARDS

6.1. Conditions for grant of Awards. Awards may be Granted at any time after:

- (a) the grant has been approved by the necessary corporate bodies of the Company; and
- (b) 30 days after a request for approval of the Plan has been submitted for approval to the Israeli Income Tax Authorities pursuant to the requirements of the Tax Ordinance; and
- (c) all other approvals, consents or requirements necessary by Law have been received or met.

6.2. Date of grant. The date on which Awards shall be deemed Granted under the Plan shall be the date the Administrator resolves to grant such Award or any future date determined as the effective date of a grant of an Award, if so expressly stated by the Administrator in its determination relating to the grant of an Award,, subject to the execution by the Participant of all such instruments required by the Company with respect to the Grant, and (with respect to all Awards issued to the Trustee) the timely delivery of all such instruments required by the Trustee with respect to the such Grant, in accordance with the provisions of the Tax Ordinance ("Date of Grant").

## 7. EXERCISE OF AWARDS

7.1. Exercise Price. The Exercise Price per Underlying Share deliverable upon the exercise of an Award shall be determined by the Administrator. The Exercise Price shall be set forth in the Award Letter.

7.2. Vesting Schedule. Unless otherwise determined by the Administrator (at its sole discretion), all Awards Granted on a certain date shall, subject to continued employment with or service to the Company or Affiliate by the Participant, become vested and exercisable in accordance with the following vesting schedule:

- (a) 25% of the Award shall vest on the first anniversary of the Commencement Date.
- (b) The remaining 75% of the Award shall vest (equally) on a quarterly basis, over 12 quarters as of the first anniversary of the Commencement Date.
- (c) In accordance with the above, all Award shall become fully vested by the Fourth anniversary of the Commencement Date.

The foregoing Vesting Schedule shall not apply to Performance Rights which shall be vested according to the Milestones specified in Section 29 herein.

7.3. Exercise of a portion of the Awards. The exercise of a portion of the Awards Granted shall not cause the expiration, termination or cancellation of the remaining unexercised Awards held by the Trustee on behalf of the Participant.

7.4. Manner Of Exercise. An Award may be exercised by and upon the fulfilment of the following:

- (a) Notice of Exercise

The signing by the Participant, and delivery to both the Company (at its principal office) and the Trustee (if the Awards are held by a Trustee), of an exercise notice form as prescribed by the Administrator, including but not limited to: (i) the identity of the Participant, (ii) the number of Awards to be exercised, and (iii) the Exercise Price to be paid (the "Notice of Exercise").

- (b) Exercise Price

The payment by the Participant to the Company, in such manner as shall be determined by the Administrator, of the Exercise Price with respect to all the Awards exercised, as set forth in the Notice of Exercise.

Notwithstanding the aforementioned, in the event the following payment method is included in the Award Letter or otherwise approved by the Administrator, the Exercise Price of each Award may be payable upon the exercise of part or all of vested Awards through a "Net Exercise" method so that the Participant will be entitled to receive pursuant to the exercise of the Awards only the number of Shares representing the benefit component in the Awards, based on the following formula, in exchange to paying only the par value of the Share. For the avoidance of doubt, according to this exercise method, the Participant will not actually pay the Exercise Price which is used only for calculating the benefit component.

Y = the number of vested exercisable Awards that the Participant wishes to exercise into Shares;

A = the Fair Market Value (as defined below) of the Share at the date of exercise;

B = the Exercise Price;

N = the par value of the Share.

- (c) Allocation of Shares

Upon the delivery of a duly signed Notice of Exercise and the payment to the Company of the Exercise Price with respect to all the Awards specified therein, the Company shall issue the Underlying Shares to the Trustee (according to the applicable Holding Period) or to the Participant, as the case may be.

- (d) Expenses

All costs and expenses including broker fees and bank commissions, derived from the exercise of Awards or Underlying Shares, shall be borne solely on the Participant.

## 8. **WAIVER OF AWARD RIGHTS**

At any time prior to the expiration of any Granted (but unexercised) Awards, a Participant may waive

his rights to such Award by a written notice to the Company's principal office. Such notice shall specify the number of Awards Granted, which the Participant waives, and shall be signed by the Participant.

Upon receipt by the Company of a notice of waiver of such rights, such Awards shall expire and shall become available for future Grants under the Plan.

## **9. TERM OF THE AWARDS**

Unless earlier terminated pursuant to the provisions of this Plan, all Granted but unexercised Awards shall expire and cease to be exercisable at 5:00 p.m. Israel time on the 10th anniversary of the Date of Grant.

## **10. TERMINATION OF ENGAGEMENT**

10.1. Termination of Engagement. If a Participant ceases to be an employee, director, officer or Consultant of the Company or Affiliate for any reason ("Termination of Engagement") other than death, Retirement, Disability or Cause, then any vested but unexercised Awards on the date of Termination of Engagement (as shall be determined by the Company or Affiliate, in its sole discretion), granted to Participant ("Exercisable Awards") may be exercised, if not previously expired, not later than the earlier of (i) 90 days after the date of Termination of Engagement; or (ii) the Term of the Awards.

All other Awards granted for the benefit of Participant shall expire upon the date of Termination of Engagement.

10.2. Termination for Cause. If subsequent to the Participant's Termination of Engagement, but prior to the exercise of Awards Granted to such Participant, the Administrator determines that either prior or subsequent to the Participant's Termination of Engagement, the Participant engaged in conduct which would constitute Cause, then the Participant's right to exercise the Awards Granted to such Participant shall immediately cease upon such determination, and the Awards shall thereupon expire.

If at any time, the Administrator determines that the Participant engaged in conduct which would constitute Cause, then any Underlying Shares issued to the Participant, whether held by the Participant or the Trustee, shall be subject to repurchase by the Company (or anyone designated by the Company), for no consideration, or for the exercise price actually paid to the Company with respect to such Underlying Shares, all subject to applicable Law. In any case whereby the Participant fails to transfer such Underlying Shares to the Company, the Company may take any action the Company deems fit in order to affect such transfer (by virtue of forfeit, transfer, redemption or any other action), including without limitations authorize any party to execute any instrument so required on behalf of the Participant, in order to effect such transfer.

The determination by the Administrator as to the occurrence of Cause shall be final and conclusive for all purposes of this Plan.

10.3. Termination by Reason of Death, Retirement, or Disability. In the event of Termination of Engagement of a Participant by reason of death, Retirement, or Disability, any vested but unexercised Awards shall be exercisable in the case of death, by his or her estate, personal representative or beneficiary, or in the case of Retirement or Disability, by the Participant or his or her personal representative (as the case may be), until the earlier of (i) 180 days after the date of Termination of Engagement; or (ii) the Term of the Awards.

All other Granted Awards for the benefit of Participant shall expire upon the date of Termination of Engagement.

10.4. Exceptions. In special circumstances, pertaining to the Termination of Engagement of a certain Participant, the Administrator may in its sole discretion decide to extend any of the

periods stated above in Sections 10.1-10.3.

- 10.5. Transfer of Employment or Service. A Participant's right to Awards or the exercise thereof that were Granted to him or her under this Plan, shall not be terminated or expire solely as a result of the fact that the Participant's employment or service as an employee, officer, director or Consultant changes from the Company to an Affiliate or vice versa. Furthermore, the Administrator may determine that the transfer of a Participant from a status of an employee, officer or director to a status of a Consultant or from a status of a Consultant to a status of an employee, officer or director, shall not be deemed a Termination of Engagement for purposes hereof.

## **11. AWARDS AND TAX PROVISIONS**

All Awards under this Plan shall be granted in accordance with one of the Tax Provisions as follows:

- The Company may grant Awards to Qualified Participants in accordance with the provisions of Section 102 and the Rules.
- The Company may Grant Awards to Non-Qualified Participants in accordance with the provisions of Section 3(i).

- 11.1. Tax Provision Selection. The Company shall elect under which Tax Provision each Award is Granted in accordance with any applicable Law and its sole discretion – i.e. the Company shall elect if to grant Awards to Participants under one of the three Section 102 Tax Tracks, or under the provisions of Section 3i. The Company shall notify each Participant in the Award Letter, under which Tax Provision the Awards are granted and, if applicable, under which Section 102 Tax Track, each Award is granted.

Awards granted according to Section 102 through a Trustee may either be classified as Capital Gains Track Through a Trustee or as Income Tax Track Through a Trustee.

For the avoidance of doubt, such Election shall not prevent the Company from granting Awards according to Section 102 without a Trustee simultaneously.

In the event the Administrator determines that the Company shall elect one of the Tax Tracks for grants of Section 102 Awards, all grants of Section 102 Awards made following such election, shall be subject to the elected Tax Track and the Company shall be entitled to change such election only following the lapse of one year from the end of the tax year in which Section 102 Awards are first granted under the then prevailing Tax Track or following the lapse of any shorter or longer period, if provided by law.

- 11.2. Section 102 Trustee Tax Tracks. If the Company elects to Grant Awards to Israeli Participants through (i) the Capital Gains Track Through a Trustee, or (ii) the Income Tax Track Through a Trustee, then, in accordance with the requirements of Section 102, the Company shall appoint a Trustee who will hold in trust on behalf of each Israeli Participant the granted Awards and the Underlying Shares issued upon exercise of such Awards in trust on behalf of each Israeli Participant. The Participant shall be bound by the trust agreement executed between the Company and any such trustee, including any amendment thereof.
- 11.3. Income Tax Track Without a Trustee. If the Company elects to Grant Awards to Israeli Participants according to the provisions of this track, then the Awards will not be subject to a Holding Period. However, upon exercise of Awards under this Tax Track, the Trustee shall hold such Underlying Shares for the benefit of the Israeli Participant in accordance with the provisions of Section 15 of this Plan.
- 11.4. Concurrent Conditions. The Holding Period of Section 102, if any, is in addition to the vesting period as specified in Section 7.2 of the Plan. The Holding Period and vesting 7.2 period may run concurrently, but neither is a substitute for the other, and each are independent terms and conditions for Awards Granted.

- 11.5. Trust Agreement. The terms and conditions applicable to the trust relating to the Tax Track selected by the Company, as appropriate, shall be set forth in an agreement signed by the Company and the Trustee (the "Trust Agreement").

## **12. RIGHTS AS A SHAREHOLDER**

A Participant shall not have any rights as a shareholder with respect to Underlying Shares issued under this Plan, until such time as the Shares shall be registered in the name of the Participant in the Company's register of shareholders.

## **13. NO SPECIAL EMPLOYMENT RIGHTS**

Nothing contained in this Plan shall confer upon any Participant any right with respect to the continuation of employment by or service to the Company or Affiliate or to interfere in any way with the right of the Company or Affiliate, to terminate such employment or service or to increase or decrease the compensation of the Israeli Participant.

## **14. RESTRICTIONS ON SALE OF AWARDS**

- 14.1. Options. Options may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of, except by will or the laws of descent.
- 14.2. Shares. No transfer of Underlying Shares shall be effective unless is made in compliance with the Articles of Association of the Company (as may be amended from time to time), including, without derogating from the generality of the above, the required approval of any transfer of Shares by the Board, right of first refusal, right of co-sale, and the right of bring along, all - to the extent exist under the Articles of Association of the Company. Without derogating from the aforesaid, all Underlying Shares shall be subject to restrictions set forth in any shareholders agreement (or other similar instrument) applicable to all or substantially all of the shareholders of the Company.
- 14.3. Restricted Shares. As stated on section 27(b) below.
- 14.4. Restricted Share units. As stated in section 28 below.
- 14.4. 14.4A. Performance Rights. As stated in Section 29 below.
- 14.5. M&A Transaction. In the event of an M&A Transaction, the outstanding (including the unexercised, vested, unvested or restricted) portion of each outstanding Award shall be assumed or substituted with an equivalent Award or the right to receive Consideration by the acquiring or successor corporation or an affiliate thereof, as shall be determined by such entity and/or the Administrator, subject to the terms hereof. In the event that the successor corporation or any affiliate thereof does not provide for such an assumption, and/or substitution of outstanding Awards and/or the provision of Consideration for outstanding Awards, then unless determined otherwise with respect to a specific outstanding Award, the Administrator shall have sole and absolute discretion to determine the effect of the M&A Transaction on the portion of Awards outstanding immediately prior to the effective time of the M&A Transaction, which may include any one or more of the following, whether in a manner equitable or not among individual Participants or groups of Participants: (i) all or a portion of the outstanding Awards shall become exercisable in full on a date no later than two (2) days prior to the date of consummation of the M&A Transaction, or on another date and/or dates or at an event and/or events as the Administrator shall determine at its sole and absolute discretion, provided that unless otherwise determined by the Administrator, the exercise and/or vesting of all Awards that otherwise would not have been exercisable and/or vested in the absence of an M&A Transaction, shall be contingent upon the actual consummation of the M&A Transaction; and/or (ii) that all or a portion or certain categories of the outstanding Awards shall be cancelled upon the actual consummation of the M&A Transaction, and instead the holders thereof will receive Consideration, or no consideration, in the amount and under the terms determined by the Administrator at its sole and absolute

discretion; and/or (iii) that an adjustment or interpretation of the terms of the Awards shall be made in order to facilitate the M&A Transaction and/or otherwise as required in context of the M&A Transaction.

- 14.6. Acceleration Provision. The Administrator, in its sole discretion, may decide to add a provision in certain Award Letters, according to which in case of an M&A Transaction, all or some of the unvested Awards, shall automatically accelerate.
- 14.7. Lock Up. Notwithstanding the Holding Period, following the Company's IPO, the Administrator may determine that the Underlying Shares issued pursuant to the exercise of Awards may be subject to a lock-up period of 180 days, or such longer period of time as may be recommended by the Board, during which time Participants shall not be allowed to sell Shares.

## **15. VOTING**

Until consummation of the Company's IPO, Shares issued to a Participant or to the Trustee for the benefit of a Participant, shall be voted by an irrevocable proxy assigned to a person appointed by the Board as a representative (the "Representative").

- (a) The Board may, at its discretion, replace the Representative from time to time.
- (b) Shares subject to proxy shall be voted by the Representative on any issue or resolution brought before the shareholders of the Company as instructed by the Board.
- (c) Each Participant, upon execution of the irrevocable proxy specified above, undertakes to hold the Representative harmless from any and all claims related or connected to said proxy.
- (d) The Representative shall be indemnified and held harmless by the Company against any cost or expense (including attorneys' fees) reasonably incurred by the Representative, or any liability (including any sum paid in settlement of a claim with the approval of the Company) arising out of any act or omission to act in connection with the voting of the Shares subject to proxy, unless arising out of the Representative's own fraud or gross negligence, to the extent permitted by applicable Law. In the event the Representative shall have indemnification by virtue of other functions or services he or she performs for the Company or Affiliate (whether by agreement, insurance policy or decision of the appropriate corporate body (ies) of the Company and/or Affiliate) , this indemnification shall be in addition to any such other indemnification.

## **16. TAX MATTERS**

This Plan shall be governed by, and shall conform with and be interpreted so as to comply with, the requirements of the Ordinance and any written approval from any relevant Tax Authorities. All tax consequences under any applicable Law (other than stamp duty) which may arise from the Grant or Allocation of Awards, from the exercise thereof or from the holding or sale of Underlying Shares (or other securities issued under the Plan) by or on behalf of the Participant, shall be borne solely by the Participant. The Participant shall indemnify the Company and/or Affiliate, as the case may be, and hold them harmless, against and from any liability for any such tax or any penalty, interest or indexing.

If the Company elects to grant Awards according to the provisions of the Income Tax Track Without a Trustee (Section 11.3 of this Plan), and if prior to the exercise of any and/or all of these Awards, such Israeli Participant ceases to be an employee, director, or officer of the Company or Affiliate, the Israeli Participant shall deposit with the Company a guarantee or other security as required by law, in order to ensure the payment of applicable taxes upon the Exercise of such Awards.

## **17. WITHHOLDING TAXES**

Whenever an amount with respect to withholding tax relating to Awards s Granted to a Participant and/or Underlying Shares issued upon the exercise thereof is due from the Participant and/or the

Company and/or an Affiliate, the Company and/or an Affiliate shall have the right to demand from a Participant such amount sufficient to satisfy any applicable withholding tax requirements related thereto, and whenever Shares or any other non-cash assets are to be delivered pursuant to the exercise of an Awards, or transferred thereafter, the Company and/or an Affiliate shall have the right to require the Participant to remit to the Company and/or to the Affiliate, or to the Trustee an amount in cash sufficient to satisfy any applicable withholding tax requirements related thereto. If such amount is not timely remitted, the Company and/or the Affiliate shall have the right to withhold or set-off (subject to Law) such Shares or any other non-cash assets pending payment by the Participant of such amounts.

With regard to Awards Granted to Israeli Participants - until all taxes have been paid in accordance with Rule 7 of the Section 102 Rules, Awards and/or Underlying Shares may not be sold, transferred, assigned, pledged, encumbered, or otherwise wilfully hypothecated or disposed of, and no power of attorney or deed of transfer, whether for immediate or future use may be validly given. Notwithstanding the foregoing, the Awards and/or Underlying Shares may be validly transferred in accordance with Section 20 below, provided that the transferee thereof shall be subject to the provisions of Section 102 and the Section 102 Rules as would have been applicable to the deceased Israeli Participant were he or she to have survived.

**18. NO TRANSFER OF AWARDS**

The Trustee shall not transfer Awards to any third party, including a Participant, except in accordance with instructions received from the Administrator.

**19. TRANSFER OF RIGHTS UPON DEATH**

No transfer of any right to an Awards or Underlying Share issued upon the exercise thereof by will or by the laws of descent shall be effective to bind the Company unless the Company shall have been furnished with the following signed and notarized documents:

- (a) A written request for such transfer and a copy of the legal documents creating and confirming the right of the person acting with respect to the Participant's estate and of the transferee;
- (b) A written consent by the transferee to pay any amounts in connection with the Awards and Underlying Shares any payment due according to the provisions of the Plan and otherwise abide by all the terms of the Plan; and
- (c) any such other evidence as the Administrator may deem necessary to establish the right to the transfer of the Award or Underlying Share issued upon the exercise thereof and the validity of the transfer.

**20. NO RIGHT OF OTHERS TO AWARDS**

Subject to the provisions of the Plan, no person other than the Participant shall have any right with respect to Awards Granted to the Participant's under the Plan.

**21. EXPENSES AND RECEIPTS**

The expenses incurred in connection with the administration and implementation of the Plan (including any applicable stamp duty) shall be borne by the Company. Any proceeds received by the Company in connection with the exercise of any Award may be used for general corporate purposes.

**22. REQUIRED APPROVALS**

The Plan is subject to the receipt of all approvals required under the Ordinance and the Law.

**23. APPLICABLE LAW**

This Plan and all documents delivered or executed by the Company or Affiliate in connection herewith shall be governed by, and construed and administered in accordance with the Law.

## **24. TREATMENT OF PARTICIPANTS**

There is no obligation for uniformity of treatment of Participants.

## **25. NO CONFLICTS**

In the event of any conflict between the terms of the Plan and the Award Letter, the Plan shall prevail, unless the Award Letter stated specifically that the conflicting provision in the Award Letter shall prevail.

## **26. PARTICIPANT UNDERTAKINGS**

By entering into this Plan, the Participant shall (1) agree and acknowledge that he or she have received and read the Plan and the Award Letter; (2) undertake all the provisions set forth in: Section 3i or Section 102 as applicable (including provisions regarding the applicable Tax Track that the Company has selected), the Plan, the Award Letter and the Trust Agreement (if applicable); and (3) if the Options are Granted under Section 102, the Israeli Participant shall undertake that subject to the provisions of Section 102 and the Rules, he or she shall not to sell or release the Underlying Shares from trust before the end of the Holding Period (if any). Any and all rights underlying Award Granted under Section 102 shall be issued to the Trustee and held thereby until the lapse of the Holding Period, and such rights shall be subject to the Tax Track which is applicable to such Exercised Shares

## **27. RESTRICTED SHARES.**

The Board may award Restricted Shares to any Participant, including under Section 102. Each Award of Restricted Shares under this Plan shall be evidenced by an Award Letter, in such form as the Board shall from time to time approve. The Restricted Shares shall be subject to all applicable terms of this Plan, which in the case of Restricted Shares granted under Section 102 shall include Section 11 11 hereof, and may be subject to any other terms that are not inconsistent with this Plan. The provisions of the various Restricted Shares Award Letters under this Plan need not be identical. The Restricted Share Award Letters shall comply with and be subject to the Plan unless otherwise specifically provided in such Award Letter and not inconsistent with this Plan, or applicable Law:

- (a) **Purchase Price.** Each Restricted Share Award Letter shall state an amount of Exercise Price to be paid by the Participant, if any, in consideration for the issuance of the Restricted Shares and the terms of payment thereof, which may include, payment in cash or by issuance of promissory notes or other evidence of indebtedness on such terms and conditions as determined by the Board.
- (b) **Restrictions.** Restricted Shares may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of, except by will or the laws of descent and distribution (in which case they shall be transferred subject to all restrictions then or thereafter applicable thereto), until such Restricted Shares shall have vested (the period from the date on which the Award is granted until the date of vesting of the Restricted Share thereunder being referred to herein as the "Restricted Period"). The Board may also impose such additional or alternative restrictions and conditions on the Restricted Shares, as it deems appropriate, including the satisfaction of performance criteria. Such performance criteria may include, but are not limited to, sales, earnings before interest and taxes, return on investment, earnings per share, any combination of the foregoing or rate of growth of any of the foregoing, as determined by the Committee or pursuant to the provisions of any Company policy required under mandatory provisions of applicable Law. Certificates for shares issued pursuant to Restricted Share Awards shall bear an appropriate legend referring to such restrictions, and any attempt to dispose of any such shares in contravention of such restrictions shall be null and void and without effect. Such certificates may, if so determined by the Board, be held in escrow by an escrow agent appointed by the Board, or, if a Restricted Share Award is made pursuant to Section 102, by the Trustee. In determining the Restricted Period of an Award the Board may provide that the foregoing restrictions shall lapse with respect to specified percentages of the awarded Restricted

Shares on successive anniversaries of the date of such Award. To the extent required by the Ordinance, the Restricted Shares issued pursuant to Section 102 shall be issued to the Trustee in accordance with the provisions of the Ordinance and the Restricted Shares shall be held for the benefit of the Participant for such period as may be required by the Ordinance.

- (c) Forfeiture; Repurchase. Subject to such exceptions as may be determined by the Board, if the Participant's continuous employment with or service to the Company or any Affiliate thereof shall terminate for any reason prior to the expiration of the Restricted Period of an Award or prior to the timely payment in full of the Exercise Price of any Restricted Shares, any Shares remaining subject to vesting or with respect to which the purchase price has not been paid in full, shall thereupon be forfeited, transferred to, and redeemed, repurchased or cancelled by, as the case may be, in any manner as set forth in this Plan, subject to applicable Laws and the Participant shall have no further rights with respect to such Restricted Shares.
- (d) Ownership. During the Restricted Period the Participant shall possess all incidents of ownership of such Restricted Shares, subject to Section 15 and Section (b) 15(B), including the right to vote and receive dividends with respect to such Shares. All securities, if any, received by a Participant with respect to Restricted Shares as a result of any stock split, stock dividend, combination of shares, or other similar transaction shall be subject to the restrictions applicable to the original Award.

## **28. RESTRICTED SHARE UNITS**

An RSU is an Award covering a number of Shares that is settled, if vested and (if applicable) exercised, by issuance of those Shares. An RSU may be awarded to any Participant, including under Section 102, provided that, to the extent required by applicable Law, a specific ruling is obtained from the Israeli Income Tax Authority to grant RSUs as 102 Trustee Awards. Award Letter relating to the grant of RSUs under this Plan, shall be in such form as the Board shall from time to time approve. The RSUs shall be subject to all applicable terms of this Plan, mutatis mutandis, which in the case of RSUs granted under Section 102 shall include Section 11 hereof, and may be subject to any other terms 11 that are not inconsistent with this Plan. The provisions of the various Award Letters need not be identical. RSUs may be granted in consideration of a reduction in the Participant's other compensation.

- (a) Exercise Price. No payment of Exercise Price shall be required as consideration for RSUs, unless included in the Award Letter or as required by applicable Law.
- (b) Shareholders' Rights. The Participant shall not possess or own any ownership rights in the Shares underlying the RSUs and no rights as a shareholder shall exist prior to the actual issuance of Shares in the name of the Participant.
- (c) Vesting of RSUs. Shares shall be issued to or for the benefit of Participant promptly following each vesting date determined by the Administrator, provided that Participant is still engaged by the Company on the applicable vesting date. After each such vesting date the Company shall promptly cause to be issued for the benefit of Participant Shares with respect to RSUs that became vested on such vesting date. It is clarified that no Shares shall be issued pursuant to the RSUs to Participant until the vesting criteria determined by the Administrator is met.
- (d) Settlements of Awards. Settlement of vested RSUs shall be made in the form of Shares. Distribution to a Participant of an amount (or amounts) from settlement of vested RSUs can be deferred to a date after settlement as determined by the Board. The amount of a deferred distribution may be increased by an interest factor or by dividend equivalents. Until the grant of RSUs is settled, the number of Shares underlying such RSUs shall be subject to adjustment pursuant hereto, mutatis mutandis.

## 29. PERFORMANCE RIGHTS

A Performance Right is an Award covering a number of Shares that is settled, if vested and (if applicable) exercised, by issuance of those Shares. A Performance Right may be awarded to any Participant, including under Section 102, provided that, to the extent required by applicable Law, a specific ruling is obtained from the Israeli Income Tax Authority to grant Performance Rights as 102 Trustee Awards. Award Letter relating to the grant of Performance Rights under this Plan, shall be in such form as the Board shall from time to time approve. The Performance Rights shall be subject to all applicable terms of this Plan, mutatis mutandis, which in the case of Performance Rights granted under Section 102 shall include section 11 hereof, and may be subject to any other terms 11 that are not inconsistent with this Plan. Performance Rights may be granted in consideration of a .reduction in the Participant's other compensation

- (a) Exercise Price. No payment of Exercise Price shall be required as consideration for Performance Rights, unless included in the Award Letter or as required by applicable Law.
- (b) Shareholders' Rights. The Performance Rights shall entitle the Participant holding them to:
  - (i) receive notices of General Meetings of the Company; (ii) receive financial reports and accounts of the Company that are circulated to Shareholders of the Company; and (iii) the right to attend General Meetings of the Shareholders of the Company. Performance Rights shall not include: (i) the right to vote as a Shareholders of the Company, except in matters concerning to: (a) the amendment of the rights attached to the Performance Rights; and (b) as otherwise required by law; (ii) the right to receive dividends; (iii) entitlement to return of capital in winding up, upon a reduction of capital or otherwise; (iv) the right to participate in the surplus profits or assets of the Company upon the winding up of the Company; or (v) the right to participate in new issues of capital offered to Shareholders such as bonus issues and entitlement issues.
- (c) Vesting of Performance Rights.
  - (i) Vesting upon Satisfaction of Milestones. Subject to sections 29(c)(ii), 29(c)(iii), 29(c)(iv) and 29(c)(v) below Performance Rights will vest if and when the following Milestones are achieved: (i) a Sale and Purchase Agreement is executed with a Manufacturer or Integrator for the Innovendi Kit; (ii) there is a direct sale of the Innovendi Kit to a customer; or (iii) a Distribution Agreement is executed between the Company and a distributor(collectively, "Milestones" or "Strategic Agreements") and the minimum number of units of the Innovendi Kit are sold in the relevant Milestone Region.

For the purpose hereof, the following terms shall have the following meaning:

"Sale and Purchase Agreement" means an agreement entered into with a Manufacturer or Integrator which has a duration of at least one year.

"Manufacturer" means a vendor who manufactures products such as autonomous vending machines that the Innovendi Kit can be incorporated into as part of the product.

"Integrator" means a party who works with a variety of vendors to assemble products such as autonomous vending machines which can incorporate the Innovendi Kit in the product assembly.

""Innovendi Kit" means the Company's product which consists of the following hardware: (a) four load cells for every shelf on the customer product; (b) an electronic weighing board for every shelf in the customer product; (c) a central control board, and (d) a computer unit, and the following software: (e) operating software, (f) algorithm control; and (g) data analysis.

"Distribution Agreement" means an agreement entered into with a distributor which has a duration of at least one year.

- (ii) Milestone Regions. The number of the Participant's Performance Rights which vest upon a

Milestone being achieved is dependent upon the country or region in which the Milestone is achieved ("Milestone Regions"), as follows:

| <b>Milestone Region</b>                     | <b>Percentage of a Participant's Performance Rights which will vest when a Strategic Agreement is executed</b> | <b>Milestone reached when selling minimum number of units per territory</b> |
|---|--|---|
| Israel                                      | 10%  | 800   |
| China                                       | 25%  | 2,000   |
| US  | 25%  | 2,000   |
| Western Europe                              | 30   | 2,400   |
| Australia                                   | 5%   | 400   |
| Eastern Europe (outside of Western Europe)* | 5%   | 400   |

(iii) Vesting upon a change of control. Subject to section 29(c)(v) below, and notwithstanding the relevant Milestone has not been satisfied, upon the occurrence of either: (i) a tender offer being made under the Israeli Companies Law, 1999 (the "Companies Law"), in respect of the Company and the offeror has acquire more than 50% of the voting rights in the Company; or (ii) the Company entering into a merger transaction under the Companies Law which results in a change in control of the Company or its amalgamation with any other company or companies, the Performance Rights will vest, provided that the total number of Performance Rights then on issue that will so vest is capped at 10% of the Shares on issue immediately following vesting under this Section. In the event that the 10% cap is applicable, the vesting will be completed on a pro-rata basis for each Participant holding Performance Rights. Performance Rights that do not vest under this paragraph will continue to be held by the Participant on the same terms and conditions.

- (iv) Deferral if a prohibited acquisition of Shares. If the vesting of a Performance Right and issue or transfer of Shares under this section 29 would result in any Participant being in contravention of the Companies Law, then the Performance Rights will vest, but the issue or transfer of those Shares shall be deferred until such later time or times that the issue or transfer would not result in a contravention of the Companies Law.

In assessing whether an issue or transfer of Share would result in a contravention of the Companies Law:

1. Participants may give written notice to the Company if they consider that the issue or transfer of a Share may result in a contravention of the companies Law; or
2. If the Company deems that such issuance of shares may result in a contravention of the Companies Law, the Company may, at its sole discretion, send a written notice to the Participant requesting the Participant to provide, within seven (7) days as of the Company's notice, a notice stating if the issuance or transfer of Shares may result in a contravention of the Companies Law (in this Section 29 – a "Participant's Notice"). Failure to provide a Participant's Notice within the aforementioned period, shall be considered as an approval by the Participant that the vesting of a Performance Right, or issuance or transfer of Shares will not result in a contravention of the Companies Law.

- (v) Vesting Procedure. The Vesting Procedure of Performance Rights shall be as follows:

- a. As soon as reasonably practicable after each applicable Measurement Date (as

defined below), the Board shall determine in respect of each Participant entitled to Performance Rights, as at that Measurement Date:

- i. Whether, and to what extent, the applicable Milestone as set out in sections 29(c)(i) and 29(c)(ii) above, up to the Measurement Date, have been satisfied;
- ii. The Number of Performance Rights (if any) that will become vested at the Measurement Date; and
- iii. The number of Performance Rights (if any) that will lapse as a result of non-satisfaction of the Milestone as at the Measurement Date.

And shall provide written notification to each Participant as to that determination.

For purpose hereof the term "Measurement Date" shall mean 31 March, 30 June, 30 September and 31 December of each year.

- b. Subject to section 29(c)(iv), upon determination of the vested Performance Rights as aforesaid, the Company will:
  - i. Issue the relevant number of Shares to the Participant; or
  - ii. Arrange for those Shares to be acquired on market and delivered to the Participant for no consideration, and will cause to be issued to the Participant a new holding statement for any such issued or transferred Share, within ten (10) Business Days as of the relevant Measurement Date.
- c. A Performance Right can only vest before the Condition Date (as defined below) and if, at the time of vesting, it is a vested Performance Right that has not lapsed under section 29(d) below.

(d) Lapsing of Performance Rights. To the extent it has not vested, the Performance Rights held by a Participant shall lapse upon the earlier of:

d. If the relevant Milestone is not achieved within 5 years following the date of issuance ("Condition Date"); or

e. The day the Board determines that the Performance Right lapses under section 29(e) below.

(e) Fraudulent or dishonest acts. If in the opinion of the Board a Participant holding Performance Rights acts fraudulently or dishonestly or is in material breach of his or her obligations to the Company the Board may in its absolute discretion determine that all the Performance Rights held by such Participant will lapse and the Board's decision will be final and binding.

(f) Restrictions on Transfer. Except on death of the Participant holding the Performance Rights under section 29(h) below the Performance Rights may not be transferred, assigned or novated except with the approval of the Board.

(g) Reorganization. If at any time the issued capital of the Company is reconstructed, all rights of a Participant holding the Performance Rights will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of such reorganization.

(h) Deceased Holders. In the event of Termination of Engagement of a Participant by reason of death, all unexercised Awards which would be granted in accordance with Appendix B of the prospectus published by the Company prior to its IPO shall be exercisable, by his or her estate, personal representatives or beneficiary, until the earlier of (i) 180 days after the date of Termination of Engagement; or (ii) the Term of the Award.

(i) In the event that the Company terminates employment with the Company, other than termination for Cause (as defined above), all unvested performance rights which would be granted in accordance with Appendix B of the prospectus published by the Company prior to its IPO shall become fully vested.

## **Annexure B – Terms of Placement Options**

- 1 Each Option gives the holder (**Holder**) the right to subscribe for one fully paid ordinary share of the Company (**Share**) for every Option they own in the Company. To obtain the right given by each Option, the Holder must exercise the vested Options in accordance with these terms and conditions.
- 2 The Options will expire 12-months from the date of issue (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- 3 The amount payable upon exercise will be determined at the date of issue whereby each Option will have an exercise price of 32 cents (A\$0.32) (**Exercise Price**).
- 4 Each one Option is exercisable to one Share.
- 5 The Options may be exercised in whole or in part, and if exercised in part, multiples of 10,000 must be exercised on each occasion.
- 6 Holders may exercise their Options by lodging with the Company, before the Expiry Date:
  - a. a written notice of exercise of Options specifying the number of Options being exercised; and
  - b. a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised,

### **(Exercise Notice).**

- 7 An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- 8 Within five (5) Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- 9 The Options are non-transferrable.
- 10 All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- 11 The Company will not apply for quotation of the Options on the ASX.
- 12 The Company will apply for quotation of all Shares allotted pursuant to the exercise of the Options on ASX immediately after the allotment of those Shares.
- 13 If at any time the issued capital of the Company is reconstructed, all rights of the Holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of reconstruction.
- 14 There are no participating rights or entitlements inherent in the Options and the Holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 3 Business Days after the issue is announced. This will give the Holder the opportunity to exercise the Options prior to the date for determining entitlements to participate in any such issue.
- 15 In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issue of the Options, the number of securities over which an Option is exercisable may be increased by the number of securities which the Holder would have received if the Option had been exercised before the record date for the bonus issue.

## **Annexure C – Key terms of Lead Manager Mandate**

On 14 January 2021, the Company entered into terms with the Lead Manager for terms regarding the Placement (**Lead Manager Mandate**).

The Lead Manager will be remunerated by the Company for acting as Lead Manager on the Placement and offering management services and may also be reimbursed for certain expenses, as follows:

- a fee of 6% (being A126,000 (plus GST)) of \$2,100,000.
- one Share per \$2 raised (1,050,000 Broker Shares); and
- subject to Shareholder approval, 15,000,000 unlisted options (**Broker Options**) each exercisable at \$0.32 per Option with an expiry date of 24 months from the date of issue.

In accordance with the Mandate and as is customary with these types of arrangements:

- (a) the Company has (subject to certain usual limitations) agreed to indemnify the Lead Manager against all losses, claims, liabilities, damages, costs and expenses including, without limitation, reasonable legal expenses on a full indemnity basis and any other reasonable expenses that the Lead Manager may suffer or reasonably incur or which may be made against the Lead Manager relating to or arising from the completion of the Placement or any obligations under the Mandate, or where the Lead Manager has acted on the instructions or directions of the Company, its directors or any related parties. The indemnity will extend to the reasonable costs of investigating, preparing for and defending any actions, claims, demands or proceedings and any threatened litigation whether or not the Lead Manager is a party to those actions, claims, demands, proceedings or threatened litigation; and
- (b) the Lead Manager's obligation to complete the Placement is subject to the receipt of firm commitments from investors.

The above is not an exhaustive summary of the Lead Manager Mandate but a summary of its material terms.

## **Annexure D – Terms of Broker Options**

- 1 Each Option gives the holder (**Holder**) the right to subscribe for one fully paid ordinary share of the Company (**Share**) for every Option they own in the Company. To obtain the right given by each Option, the Holder must exercise the vested Options in accordance with these terms and conditions.
- 2 The Options will expire 24-months from the date of issue (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- 3 The amount payable upon exercise will be determined at the date of issue whereby each Option will have an exercise price of 32 cents (A\$0.32) (**Exercise Price**).
- 4 Each one Option is exercisable to one Share.
- 5 The Options may be exercised in whole or in part, and if exercised in part, multiples of 10,000 must be exercised on each occasion.
- 6 Holders may exercise their Options by lodging with the Company, before the Expiry Date:
  - a. a written notice of exercise of Options specifying the number of Options being exercised; and
  - b. a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised,

### **(Exercise Notice).**

- 7 An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- 8 Within five (5) Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- 9 The Options are non-transferrable.
- 10 All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- 11 The Company will not apply for quotation of the Options on the ASX.
- 12 The Company will apply for quotation of all Shares allotted pursuant to the exercise of the Options on ASX immediately after the allotment of those Shares.
- 13 If at any time the issued capital of the Company is reconstructed, all rights of the Holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of reconstruction.
- 14 There are no participating rights or entitlements inherent in the Options and the Holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 3 Business Days after the issue is announced. This will give the Holder the opportunity to exercise the Options prior to the date for determining entitlements to participate in any such issue.
- 15 In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issue of the Options, the number of securities over which an Option is exercisable may be increased by the number of securities which the Holder would have received if the Option had been exercised before the record date for the bonus issue.

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **4.00pm (AEST) on Sunday 4 April 2021**, being not later than **48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

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

### YOUR NAME AND ADDRESS

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

### STEP 1 – APPOINT A PROXY

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

### DEFAULT TO THE CHAIR OF THE MEETING

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

### STEP 2 - VOTES ON ITEMS OF BUSINESS

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

### APPOINTMENT OF SECOND PROXY

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

### SIGNING INSTRUCTIONS

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

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

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

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

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

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

### CORPORATE REPRESENTATIVES

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

### Linking your Proxy Voting Form:

#### Online

Use your computer or smartphone to appoint a proxy at

<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

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



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney, NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

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