

EVE INVESTMENTS LIMITED

ACN 106 523 611

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

**For the Annual General Meeting of Shareholders
to be held on 26 November 2020 at 2:00pm (WST)
at Suite 1, 245 Churchill Avenue, Subiaco, Western Australia**

Due to the ongoing COVID-19 pandemic and strict limitation on physical attendance, the Company has taken steps to ensure attendance in person is in adherence to COVID-19 protocols. If the situation in relation to COVID-19 changes in a way that affects the Company's ability to facilitate an in-person Meeting as currently proposed, the Company will provide a further update ahead of the Meeting by releasing an announcement on the ASX market announcements platform.

Shareholders are urged to vote by lodging the Proxy Form attached to this Notice.

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TIME AND PLACE OF ANNUAL GENERAL MEETING AND HOW TO VOTE

Venue

The Annual General Meeting of EVE Investments Limited will be held at:

**Suite 1, 245 Churchill Avenue
Subiaco, Western Australia, 6008**

**Commencing
at 2:00pm (WST)
on 26 November 2020**

How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 2:00pm (WST). Given the current COVID-19 pandemic, Shareholders are urged to vote by proxy.

Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form as soon as possible and deliver the Proxy Form in accordance with the instructions on the Proxy Form. You may also submit your Proxy Form online in accordance with instructions on the Proxy Form.

Your Proxy Form must be received no later than 48 hours before the commencement of the Meeting.

**EVE INVESTMENTS LIMITED
ACN 106 523 611**

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of EVE Investments Limited will be held at Suite 1, 245 Churchill Avenue, Subiaco, Western Australia on 26 November 2020 at 2:00pm (WST) for the purpose of transacting the following business.

Due to the ongoing COVID-19 pandemic and strict limitation on physical attendance, the Company has taken steps to ensure attendance in person is in adherence to COVID-19 protocols. If the situation in relation to COVID-19 changes in a way that affects the Company's ability to facilitate an in-person Meeting as currently proposed, the Company will provide a further update ahead of the Meeting by releasing an announcement on the ASX market announcements platform.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

AGENDA

GENERAL BUSINESS

ACCOUNTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report in the Annual Report of the Company for the financial year ended 30 June 2020."

Voting exclusion:

A vote in respect of the Resolution must not be cast (in any capacity) by or on behalf of any of the following persons (the "voter"):

- (a) a member of the key management personnel, details of whose remuneration are included in the remuneration report; or
- (b) a closely related party of such a member.

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

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (d) the voter is the chair of the meeting and the appointment of the chair as proxy:
 - (i) does not specify the way the proxy is to vote on the Resolution; and
 - (ii) expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the company.

RESOLUTION 2 – RE-ELECTION OF DIRECTOR – ALASDAIR COOKE

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

"That Alasdair Cooke, who retires by rotation in accordance with rule 7.3 of the Constitution of the Company, and being eligible, offers himself for re-election, is hereby re-elected as a director of the Company."

RESOLUTION 3 – ELECTION OF DIRECTOR – CARLOS JIN

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

"That Carlos Jin, being a Director of the Company appointed by the Directors as an additional Director and holding office until this Meeting in accordance with rule 7.3(f) of the Constitution of the Company and, being eligible, offers himself for election, is hereby elected as a Director of the Company."

RESOLUTION 4 – ELECTION OF DIRECTOR – JOALIN CHOU

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

"That Joalin Chou, being a Director of the Company appointed by the Directors as an additional Director and holding office until this Meeting in accordance with rule 7.3(f) of the Constitution of the Company and, being eligible, offers herself for election, is hereby elected as a Director of the Company."

RESOLUTION 5 – APPROVAL TO ISSUE OPTIONS TO BILL FRY

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

"That the issue up to 16,000,000 Options to Bill Fry or his nominees is approved under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14 and for all other purposes, on the terms set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Employee Incentive Plan or an associate of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

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

Restriction on proxy voting by key management personnel or closely related parties:

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

- (a) the proxy is either:
- (i) a member of the key management personnel for the Company; or
 - (ii) a closely related party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- (c) the proxy is the chair of the Meeting; and
 - (d) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.
- Where the chair is the related party the subject of the Resolution or is an associate of the related party, the chair cannot cast undirected proxies in respect of the Resolution.

VOTING AND PROXIES

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the chair of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.
3. The chair of the Meeting will vote undirected proxies on, and in favour of, all of the proposed resolutions, including Resolutions 1 and 5. The Proxy Form expressly authorises the chair of the Meeting to exercise the proxy in relation to Resolutions 1 and 5 even though these Resolutions are connected directly or indirectly with the remuneration of a member of key management personnel. Any undirected proxies held by a Director, any member of the key management personnel or any of their closely related parties (who are not the chair) will not be voted on Resolutions 1 and 5.
4. Key management personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling of the activities of the Company, directly or indirectly. Closely related parties are defined in the Corporations Act, and include certain family members, dependants and companies controlled by key management personnel.
5. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is 24 November 2020 at 5.00pm (WST).
6. A Proxy Form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the instructions on that form. Voting online is available.

By order of the Board



Mr George Cameron-Dow
Non-Executive Chairman

Dated: 27 October 2020

**EVE INVESTMENTS LIMITED
ACN 106 523 611**

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

The business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Company is not required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at www.eveinvestments.com.au.

Shareholders will be offered the following opportunities:

- (a) discuss the annual financial report for the financial period ended 30 June 2020;
- (b) ask questions and make comment on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit, preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

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

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the annual financial report of the Company for the financial year ending 30 June 2020.

A reasonable opportunity will be provided for questions about or comments on the Remuneration Report at the Annual General Meeting.

2.2 Voting Consequences

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "Spill Resolution") that another general meeting be held within 90 days at which all of the Directors (other than the Managing Director) must go up for re-election.

2.3 Previous voting results

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

2.4 Proxy restrictions

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on this Resolution (Remuneration Report) by marking either "For", "Against" or "Abstain" on the Proxy Form for this Resolution.

If you appoint a member of the key management personnel whose remuneration details are included in the Remuneration Report (who is not the Chairman) or a closely related party of that member as your proxy, and you do not direct that person on how to vote on this Resolution, the proxy cannot exercise your vote and your vote will not be counted in relation to this Resolution.

The Chairman intends to vote all undirected proxies in favour of this Resolution. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on this Resolution, by signing and returning the Proxy Form you are giving express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

Key management personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 June 2020. Their closely related parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – ALASDAIR COOKE

Rule 7.3 of the Constitution requires that at each annual general meeting, one-third of directors for the time being (rounded down to the nearest whole number) shall retire from office and that a Director that so retires is eligible for re-election. Additionally, Listing Rule 14.4 provides that a Director must retire from office no later than the longer of the third annual general meeting of the Company or 3 years following that Director's last election or appointment. The retirement rules do not apply to the managing director.

Mr Alasdair Cooke was last re-elected as a Director at the 2018 annual general meeting. Alasdair Cooke retires by rotation in accordance with the Constitution, and being eligible, offers himself for re-election as a Director.

Mr Alasdair Cooke is a non-executive director of the Company. Details of the qualifications and experience of Mr Cooke is set out in the Company's 2020 Annual Report.

The Board of the Company recommends the re-election of Alasdair Cooke as a Director.

4. RESOLUTION 3 – ELECTION OF DIRECTOR – CARLOS JIN

Rule 7.3(f) of the Company's Constitution provides that any Director appointed by the Board as an additional director holds office until the next following annual general meeting and is eligible for election at that meeting. Additionally, Listing Rule 14.4 provides that a Director appointed as an additional director must not hold office (without re-election) past the next annual general meeting.

Mr Carlos Jin was appointed by the Board as an additional Director on 10 December 2019.

Mr Carlos Jin holds office until this Meeting and, being eligible, offers himself for election as a Director of the Company.

Mr Carlos Jin is a non-executive director of the Company. Details of the qualifications and expertise of Mr Jin are set out in the Company's 2020 Annual Report.

The Board of the Company recommends the election of Carlos Jin as a Director.

5. RESOLUTION 4 - ELECTION OF DIRECTOR – JOALIN CHOU

As set out above, rule 7.3(f) of the Company's Constitution and Listing Rule 14.4 requires a Director appointed as an additional director by the Board must not hold office without election past the next annual general meeting.

Ms Joalin Chou was appointed by the Board as an additional Director on 21 January 2020.

Ms Joalin Chou holds office until this Meeting and, being eligible, offers herself for election as a Director of the Company.

Ms Joalin Chou is a non-executive director of the Company. Details of the qualifications and expertise of Ms Chou are set out in the Company's 2020 Annual Report.

The Board of the Company recommends the election of Joalin Chou as a Director.

6. RESOLUTION 5 – APPROVAL TO ISSUE OPTIONS TO BILL FRY

6.1 General

The Board consists of George Cameron-Dow (Non-Executive Chairman), Bill Fry (Managing Director), Alasdair Cooke (Non-Executive Director), Carlos Jin (Non-Executive Director) and Joalin Chou (Non-Executive Director).

This Resolution seeks Shareholder approval so that the Company may issue Options as an incentive to Bill Fry, the Managing Director of the Company.

Shareholder approval is required for the purposes of Chapter 2E of the Corporations Act (section 208) and Chapter 10 of the Listing Rules because Bill Fry as a Director is a related party of the Company. Shareholder approval is being sought under Listing Rule 10.14 as the securities are being issued under an employee incentive scheme. Each of Chapter 2E and Listing Rule 10.14 are dealt with separately below.

6.2 Chapter 2E of the Corporations Act - Related Party Transaction

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the

provisions; or

- (b) prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, Bill Fry as a Director is a related party of the Company.

The issue of Options to a related party is a financial benefit requiring shareholder approval in the absence of a specified exception applying.

For the purpose of Chapter 2E of the Corporations Act the following information is provided.

- (a) *The related party to whom the resolutions would permit the financial benefit to be given*

The related party is Bill Fry or his nominees.

- (b) *The nature of the financial benefit*

The nature of the financial benefit is the issue of up to 16,000,000 Options.

Up to 8,000,000 Options will be Tranche 1 Options with an exercise price of 1.6 cents, an expiry date of 30 November 2024 and a vesting hurdle requiring Bill Fry's continuous engagement as an employee until 13 October 2021. Up to 8,000,000 Options will be Tranche 2 Options with an exercise price of 1.6 cents, an expiry date of 30 November 2024 and a vesting hurdle requiring Bill Fry's continuous engagement as an employee until 13 October 2022. The full terms of each of the Tranche 1 Options and the Tranche 2 Options are set out in Schedule 2.

- (c) *Reasons for giving the benefit and Directors' Recommendation*

The purpose of the issue of the Options is to incentivise Bill Fry to provide ongoing dedicated services and provide remuneration linked to the performance of the Company. The benefit will only be received from the Options upon the Company's Share price exceeding the exercise price of the Options and thereby warranting their exercise.

Under the Company's current circumstances, the Directors consider that the incentive, represented by the issue of these Options, is a cost effective and efficient reward and incentive to be provided to the Director by the Company, as opposed to alternative forms of incentive, such as the payment of cash compensation.

The Directors independent of Bill Fry (being the 4 other Directors that are not the subject of this Resolution) consider that the quantity of Options together with the terms of the Options constitutes an appropriate number to adequately incentivise Bill Fry in light of his skill and experience and his current remuneration as detailed below.

The Directors independent of Bill Fry recommend that Shareholders vote in favour of the Resolution.

Bill Fry abstains from making a recommendation as a Director to Shareholders on this Resolution as he has a material personal interest in the outcome as the recipient of the Options.

- (d) *Current total remuneration package*

The current remuneration received by Bill Fry is \$350,400 per year inclusive of superannuation for performing the role of Managing Director.

(e) *Existing relevant interests*

As at the date of this Notice, Bill Fry has a relevant interest in securities of the Company as follows:

	Shares	Options	Performance Rights
Bill Fry	75,902,622	3,333,332 ¹	18,000,000 ²

1. The Options have an exercise price of 0.6 cents and an expiry date of 31 December 2021.
2. Details as to the Performance Rights are set out in the 2020 annual report (see ASX announcement of 31 August 2020).

(f) *Dilution*

The passing of this Resolution would have the effect of issuing Bill Fry up to 16,000,000 Options.

If any of the Options are exercised into Shares, the effect will be to dilute the shareholding of existing Shareholders. If all the 16,000,000 Options were exercised into Shares, the effect would be to dilute the shareholding of the existing Shareholders by approximately 0.42% based on the total number of Shares on issue at the date of this Notice of 3,830,491,890.

(g) *Trading history*

The following table gives details of the highest, lowest and the latest closing price of the Company's Shares trading on the ASX over the last 12 months.

	Closing Price	Date
Highest Price	1.3 cents	16 October 2020
Lowest Price	0.3 cents	30 March 2020
Latest Price	1.2 cents	16 October 2020

(h) *Valuation of Options*

The Company has valued the Options to be issued to Bill Fry by reference to the binomial valuation model.

The following assumptions have been made regarding the inputs required for the model:

Input	Tranche 1 Options	Tranche 2 Options	Note
Number of Options	8,000,000	8,000,000	
Underlying share spot price	1.2 cents	1.2 cents	1
Exercise Price	1.6 cents	1.6 cents	2
Dividend rate	Nil	Nil	3
Risk free rate	0.28%	0.28%	4
Volatility	140%	140%	5

Life of the Options	4 years	4 years	6
Service or Performance Condition	Service Condition	Service Condition	7

Note 1: The underlying Share spot price used for the purpose of the valuation is based on the closing Share price of 1.2 cents on 16 October 2020.

Note 2: The exercise price is 1.6 cents.

Note 3: No dividends are expected to be paid during the life of the Options.

Note 4: The risk free rate is based on the average yield on 5 year Commonwealth Treasury bonds at 16 October 2020.

Note 5: The volatility was calculated from the Company's historical trading volatility over the last 12 months and is 140%.

Note 6: The life of the Options has been assumed to be 4 years expiring on 30 November 2024, the final date for exercise of the Options.

Note 7: The service condition for the Tranche 1 Options is Bill Fry is engaged continuously as an employee until 13 October 2021. The service condition for the Tranche 2 Options is Bill Fry is engaged continuously as an employee until 13 October 2022.

Based on the above assumptions, the Options have been valued as follows:

Number and Value of Options		
	Tranche 1 Options	Tranche 2 Options
Bill Fry	8,000,000 Options – 0.98 cents each (\$78,400)	8,000,000 Options – 0.98 cents each (\$78,400)

No discount resulted to the valuation of the Options by reason of the service condition.

(i) *Other information*

The Directors do not consider that there are opportunity costs to the Company or benefits foregone by the Company in issuing the Options.

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass the Resolution.

6.3 **Listing Rule 10.14**

The Company is proposing to issue Options to Bill Fry, a Director under the Employee Incentive Plan, which is an employee incentive scheme ("**Issue**").

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

- (a) Listing Rule 10.14.1 – a director of the listed company;

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

unless it obtains the approval of its shareholders.

The Issue falls within Listing Rule 10.14.1 above and therefore requires the approval of the Company's Shareholders under Listing Rule 10.14.

This Resolution seeks the required Shareholder approval to the Issue under and for the purposes of Listing Rule 10.14.

If this Resolution is passed, the Company will be able to proceed with the Issue and Bill Fry will be able to be issued the Options under the Employee Incentive Plan.

If this Resolution is not passed, the Company will not be able to proceed with the Issue and this incentive will not be issued to Bill Fry. No other replacement incentive is currently proposed.

6.4 **Listing Rule 10.15**

For Shareholders to approve the issue of the Options under and for the purposes of Listing Rule 10.14, the following information is provided to Shareholders in accordance with Listing Rule 10.15:

- (a) The securities will be issued to Bill Fry or his nominees.
- (b) Bill Fry is a Director and is a Listing Rule 10.14.1 party.
- (c) The number of securities the Company will issue is up to 16,000,000 Options being 8,000,000 Tranche 1 Options and 8,000,000 Tranche 2 Options.
- (d) The current total remuneration package of Bill Fry is set out in Section 6.2(d) above.
- (e) The securities that have previously been issued to Bill Fry under the Employee Incentive Plan are 16,499,976 Shares issued in lieu of remuneration and 20,000,000 Performance Rights. All these securities were issued for nil acquisition price and the average acquisition price is nil.
- (f) The securities to be issued are Tranche 1 Options with an exercise price of 1.6 cents, an expiry date of 30 November 2024 and a vesting hurdle requiring Bill Fry's continuous engagement as an employee until 13 October 2021 and Tranche 2 Options with an exercise price of 1.6 cents, an expiry date of 30 November 2024 and a vesting hurdle requiring Bill Fry's continuous engagement as an employee until 13 October 2022. The full terms of the Options are set out in Schedule 2. The Options are being issued under the Employee Incentive Plan as the Directors consider this incentive is a cost effective and efficient reward and incentive and will preserve the cash reserves of the Company as opposed to the payment of cash compensation. The value of the Options with the disclosure of the assumptions is set out in Section 6.2(h) above.
- (g) The securities are intended to be issued within 1 week of the Meeting.
- (h) The Options will be issued for no consideration and there is no issue price.
- (i) The material terms of the Employee Incentive Plan are summarised in Schedule 1.

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- (j) No loan will be made to Bill Fry in relation to the issue of the Options under the Employee Incentive Plan.
 - (k) Details of any securities issued under the Employee Incentive Plan to Listing Rule 10.14 parties will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Employee Incentive Plan after this Resolution is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.

EVE INVESTMENTS LIMITED
ACN 106 523 611

GLOSSARY

In the Notice and this Explanatory Statement the following expressions have the following meanings:

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

"**ASX**" means the ASX Limited (ACN 008 624 691).

"**ASX Listing Rules**" or "**Listing Rules**" means the Listing Rules of the ASX.

"**Board**" means the Board of Directors of the Company.

"**Chair**" or "**Chairman**" means the chairperson of the Company.

"**Company**" or "**EVE**" means EVE Investments Limited (ACN 106 523 611).

"**Constitution**" means the constitution of the Company.

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

"**Directors**" mean the directors of the Company from time to time.

"**Employee Incentive Plan**" means the EVE Investments Employee Incentive Plan last approved by Shareholders at the 2019 annual general meeting, with the terms summarised in Schedule 1.

"**Explanatory Statement**" means this Explanatory Statement.

"**Notice**" means the notice of meeting that accompanies this Explanatory Statement.

"**Option**" means an Option to subscribe for a Share.

"**Performance Right**" means a right to acquire a Share subject to the satisfaction of applicable vesting conditions.

"**Resolution**" means a resolution referred to in the Notice.

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

"**Shareholder**" means a registered holder of Shares in the Company.

"**Tranche 1 Options**" means Options with the terms set out in Schedule 2.

"**Tranche 2 Options**" means Options with the terms set out in Schedule 2.

"**WST**" means Western Standard Time, Perth, Western Australia.

"**A\$**" or "**\$**" means Australian dollars unless otherwise stated.

SCHEDULE 1

Terms of Employee Incentive Plan

- 1. Purpose** The purpose of the Employee Incentive Plan is to provide an incentive for eligible participants to participate in the future growth of the Company and to offer any of Options, Performance Rights or Shares to assist with reward, retention, motivation and recruitment of eligible participants.
- 2. Eligible Participants** Eligible participants are a full or part-time employee, or a director of the Company or a subsidiary, relevant contractors and casual employees and prospective parties in these capacities ("Eligible Participants").
- 3. Offers** Subject to any necessary Shareholder approval, the Board may offer Options, Performance Rights or Shares to Eligible Participants for nil consideration.
- 4. Expiry Date** The expiry date of any Options or Performance Rights will be determined by the Board.
- 5. Vesting Conditions and Lapse** An Option or Performance Right may only be exercised after it has vested and before its expiry date. The Board may determine the conditions upon the vesting of the Options or Performance Rights at its discretion. By way of example, the Board may impose Share price and/or continuous service vesting hurdles.
- An Option or Performance Right lapses upon various events including a vesting condition not being satisfied, a participant ceasing to be an Eligible Participant (except for certain matters such as death or permanent disablement) and upon misconduct by a participant.
- 6. Shares issued on vesting** Each Option or Performance Right entitles the holder to one fully paid ordinary share on exercise or vesting.
- 7. Transferability and quotation** An Option or Performance Right may not be transferred without the prior written approval of the Board or by force of law. Quotation of the Options or Performance Rights on the ASX will not be sought. However, the Company will apply for official quotation of Shares issued on the exercise of the Options or vesting of the Performance Rights.
- 8. No voting or dividend rights** The Options or Performance Rights are personal and do not confer any entitlement to attend or vote at meetings, any entitlement to dividends or any entitlement to participate in any return of capital unless the Options or Performance Rights are vested and the underlying Shares have been issued.
- 9. No participation rights** The Options or Performance Rights do not entitle the holder to participate in the issue of securities unless the Options or Performance Rights are exercised or vested and Shares have been issued before the record date for determining entitlements.
- 10. Limitation on number of securities** Securities to be issued under the Employee Incentive Plan in any 3 year period must not exceed 5% of the total number of Shares on issue at the time of the relevant offer. Various excluded offers may be disregarded so as to not count for the 5% limit being any offer to a person outside Australia, an offer not requiring disclosure to investors because of

section 708 of the Corporations Act or an offer made under a disclosure document.

11. Administration of the Employee Incentive Plan

The Employee Incentive Plan will be administered under the directions of the Board and the Board may determine procedures for the administration of the Employee Incentive Plan as it considers appropriate.

12. Operation

The operation of the Employee Incentive Plan is subject to the Listing Rules and the Corporations Act.

13. Application of Subdivision 83A-C of the *Income Tax Assessment Act 1997 (Cth)*

Subdivision 83A-C (deferred inclusion of gain in assessable income) of the *Income Tax Assessment Act 1997 (Cth)* applies to the Employee Incentive Plan and holders of securities issued under the Employee Incentive Plan may agree to a restriction period for the disposal or transfer of the securities including any underlying securities.

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SCHEDULE 2

Terms of Options (Resolution 5)

Tranche 1 Options

The terms of the Tranche 1 Options are:

1. Each Option entitles the holder to one Share (fully paid ordinary share) upon exercise of the Option.
2. The exercise price of the Options is 1.6 cents (Exercise Price).
3. Subject to paragraph 4 below, the Options are exercisable at any time prior to 5.00 pm WST on 30 November 2024 (Expiry Date).
4. The Options vest and may only be exercised if Bill Fry is engaged continuously as an employee until 13 October 2021.
5. The Options are only transferable with Board approval. The Options are not intended to be quoted.
6. The Company will provide to each Option holder a notice that is to be completed when exercising the Options (Notice of Exercise). Prior to the Expiry Date, the Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date. The Company will process all relevant documents received at the end of every calendar month.
7. Upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be issued a Share ranking equally with the then issued Shares.
8. There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. Thereby, the Optionholder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised except in the event of a bonus issue. However, the Company will ensure that the Optionholder will be notified of a proposed issue after the issue is announced. This will give an Optionholder the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
9. If there is a bonus issue (Bonus Issue) to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue (Bonus Shares). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
10. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Optionholder are to be changed in a manner consistent with the Listing Rules.

Tranche 2 Options

The terms of the Tranche 2 Options are:

1. Each Option entitles the holder to one Share (fully paid ordinary share) upon exercise of the Option.
2. The exercise price of the Options is 1.6 cents (Exercise Price).
3. Subject to paragraph 4 below, the Options are exercisable at any time prior to 5.00 pm WST on 30 November 2024 (Expiry Date).
4. The Options vest and may only be exercised if Bill Fry is engaged continuously as an employee until 13 October 2022.
5. The Options are only transferable with Board approval. The Options are not intended to be quoted.
6. The Company will provide to each Option holder a notice that is to be completed when exercising the Options (Notice of Exercise). Prior to the Expiry Date, the Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date. The Company will process all relevant documents received at the end of every calendar month.
7. Upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be issued a Share ranking equally with the then issued Shares.
8. There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. Thereby, the Optionholder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised except in the event of a bonus issue. However, the Company will ensure that the Optionholder will be notified of a proposed issue after the issue is announced. This will give an Optionholder the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
9. If there is a bonus issue (Bonus Issue) to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue (Bonus Shares). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
10. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Optionholder are to be changed in a manner consistent with the Listing Rules.



eve investments

ACN 106 523 611

LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL
EVE Investments Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

BY FAX
+61 2 9287 0309

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

ALL ENQUIRIES TO
Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of EVE Investments Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

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

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at 2:00pm (WST) on Thursday, 26 November 2020 at Suite 1, 245 Churchill Avenue, Subiaco, Western Australia (the Meeting) and at any postponement or adjournment of the Meeting.

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

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

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an X

Resolutions

Table with 5 columns: Resolutions, For, Against, Abstain*, For, Against, Abstain*. Rows include Adoption of Remuneration Report, Re-election of Director - Alasdair Cooke, Election of Director - Carlos Jin, Election of Director - Joalin Chou, and Approval to Issue Options to Bill Fry.

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

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Signature lines for Shareholder 1 (Individual), Joint Shareholder 2 (Individual), Joint Shareholder 3 (Individual), Sole Director and Sole Company Secretary, Director/Company Secretary (Delete one), and Director.

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

For personal use only



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

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

DEFAULT TO CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

SIGNING INSTRUCTIONS

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2:00pm (WST) on Tuesday, 24 November 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged:



ONLINE

www.linkmarketservices.com.au

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



BY MOBILE DEVICE

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

QR Code



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



BY MAIL

EVE Investments Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)



COMMUNICATION PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

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