

NOTICE OF ANNUAL  
GENERAL MEETING 2024



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**Shareholders are advised that the 2024 Annual General Meeting of  
XRF Scientific Limited will be held on:  
Monday, 21 October 2024 at the Quest Hotel, 1 Sunray Drive, Innaloo WA 6018  
Commencing at 11:00 a.m. (AWST)**

The Annual General Meeting (**AGM**) of XRF Scientific Limited ACN 107 908 314 (**Company**) will be held on Monday, 21 October 2024 at the Quest Hotel, 1 Sunray Drive, Innaloo WA 6018, commencing at 11:00 a.m. (AWST).

This Notice of Annual General Meeting should be read in its entirety. The Explanatory Statement that accompanies and forms part of this Notice describes the matters to be considered at this meeting. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

For further information regarding voting entitlements and proxies please see the notes below on page 3.

## **AGENDA**

### **FINANCIAL STATEMENTS AND REPORTS (NO RESOLUTION REQUIRED)**

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2024 together with the declaration of the Directors, Directors' Report, Remuneration Report and the Auditor's Report.

### **RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

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

*“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report, which forms part of the Directors' Report of the Company for the financial year ended 30 June 2024.”*

**Note: Section 250R(3) of the Corporations Act provides that the vote on this Resolution 1 is advisory only and does not bind the Directors or the Company.**

### **Voting Prohibition Statement**

As required by the Corporations Act, a vote must not be cast (and the Company will disregard any votes cast contrary to this restriction (in any capacity)) on this Resolution 1 by or on behalf of either of the following persons:

- a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report (**Member**); or
- b) a Closely Related Party of such a Member.

However, the Member or closely related party of a Member (**Voter**) may cast a vote on this Resolution 1 as a proxy if the vote is not cast on behalf of a Member or a closely related party of a Member and either:

- a) the Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution 1; or
- b) the Voter is the Chair and the appointment of the Chair as proxy:
  - i. does not specify the way the proxy is to vote on this Resolution 1; and
  - ii. expressly authorises the Chair to exercise the proxy if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

### **RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR FRED GRIMWADE**

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

*“That Mr Fred Grimwade, being a Director of the Company who retires by rotation in accordance with clause 13.2 of the Constitution and ASX Listing Rule 14.4, being eligible for re-election, be re-elected as a Director of the Company.”*

### RESOLUTION 3 – APPROVAL OF ISSUE OF PERFORMANCE RIGHTS TO MR VANCE STAZZONELLI OR HIS NOMINEE

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

*"That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the grant by the Company to Mr Vance Stazzonelli of Performance Rights as outlined in the Explanatory Statement (and the issue of Shares upon the vesting of those Performance Rights) under the Company's Performance Rights Plan and on the terms and conditions set out in the Explanatory Statement."*

#### **Voting Exclusion Statement**

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of this Resolution 3 by or on behalf of all persons referred to in ASX Listing Rules 10.14.1, 10.14.2, and 10.14.3 who are eligible to participate in the Company's Performance Rights Plan, including Mr Vance Stazzonelli, the Managing Director of the Company, who is eligible to participate in the Company's Performance Rights Plan, and are excluded from voting, or an associate of such persons, including an associate of Mr Vance Stazzonelli. However, this does not apply to a vote cast in favour of this Resolution 3 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 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 communication 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 the directions given by the beneficiary to the holder to vote in that way.

#### **Voting Prohibition Statement**

In addition, as required by the Corporations Act, a vote must not be cast on this resolution (and will not be taken to have been cast if cast contrary to this restriction) by a Key Management Personnel of the Company or a Closely Related Party of such a member, acting as proxy if their appointment does not specify the way the proxy is to vote on the resolution.

However, a Key Management Personnel of the Company or Closely Related Party of such a member may vote if they are the chair of the meeting at which the resolution is voted on and the appointment 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 of the Company.

### RESOLUTION 4 – APPOINTMENT OF AUDITOR

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

*"That, for the purposes of section 327B(1)(b) of the Corporations Act and for all other purposes, and as a result of BDO WA restructuring its audit practice, BDO Audit Pty Ltd, having consented in writing to act in the capacity of auditor of the Company, be appointed as auditor to the Company, with effect from the close of the Meeting, on the terms and conditions in the Explanatory Memorandum."*

#### **BY ORDER OF THE BOARD**

**Andrew Watson**  
**Company Secretary**  
**16 September 2024**

## NOTES

### 1. Voting Entitlements

The Board has determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that those persons eligible to vote at the Meeting are those who are registered Shareholders at 11:00 am AWST on Saturday, 19 October 2024 (being 48 hours before the commencement of the Meeting). This means that if you are not the registered holder of a Share in the Company at the entitlement time, you will not be entitled to participate in or vote at the AGM.

### 2. How to vote

Shareholders entitled to vote at the Meeting can vote:

- (a) by attending the Meeting physically and voting in person;
- (b) by appointing an attorney to attend the Meeting and vote on their behalf, or in the case of a corporate Shareholder, a corporate representative to attend the Meeting and vote on their behalf; or
- (c) by appointing a proxy to attend the Meeting and vote on their behalf using the Proxy Form enclosed in this Notice.

The Resolution at the Meeting will be voted on by poll and Shareholders who are entitled to vote may vote either prior to the Meeting by appointing a proxy or by poll during the Meeting.

### 3. Proxies

A member entitled to attend and vote at the Meeting (see note 1 above for eligibility criteria) is entitled to appoint not more than two proxies to attend and vote on behalf of the member. A proxy need not be a member of the Company, but must be a natural person (not a corporation). A proxy may also be appointed by reference to an office held by the proxy (e.g. "the Company Secretary"). Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the member's voting rights. If no such proportion is specified, each proxy may exercise half of the votes able to be cast by the appointing shareholder.

A proxy form is enclosed. A separate form must be used for each proxy. An additional form can be obtained by writing to the Company at 86 Guthrie Street, Osborne Park, WA 6017, or by emailing [investors@xrfscientific.com](mailto:investors@xrfscientific.com). Alternatively, you may photocopy the enclosed form.

A duly completed proxy form and (where applicable) any power of attorney or a certified copy of the power of attorney must be received by the Company at its registered office or email address set out below, **not less than 48 hours before** the time for commencement of the Meeting (being 11:00 am AWST on Saturday, 19 October 2024). Please send to 86 Guthrie Street, Osborne Park, WA 6017, or email to [investors@xrfscientific.com](mailto:investors@xrfscientific.com). Any Proxy Forms received after the above time will not be valid for the Meeting.

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

#### **Proxy vote if appointment specifies way to vote**

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

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

#### **Transfer of non-chair proxy to chair in certain circumstances**

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

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting (if a record is made for the meeting);
  - the proxy does not vote on the resolution,

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

The Company will accept proxy appointments by a corporate member executed in accordance with either section 127(1) (not under seal) or section 127(2) (under seal) of the Corporations Act.

## EXPLANATORY STATEMENT

This Explanatory Statement forms part of the Notice of Annual General Meeting. This Explanatory Statement has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the Annual General Meeting of XRF Scientific Limited. The Directors recommend Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

### Financial Statements and Reports

In accordance with section 317 of the Corporations Act, 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 2024 together with the declaration of the Directors, Directors' Report, Remuneration Report and the Auditor's Report. There is no requirement for Shareholders to approve the annual financial report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.xrfscientific.com](http://www.xrfscientific.com).

The Company's Auditor will be present at the Meeting and Shareholders will be given a reasonable opportunity to ask the Auditor questions if the question is relevant to the conduct of the audit, the content of the Auditor's Report, the Company's accounting policies and the independence of the Auditor.

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

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted by Shareholders no later than five business days before the Meeting to the Company Secretary at the Company's registered office. The Company will then, as soon as practicable after the question has been received, pass the question on to the Company's Auditor. At the Annual General Meeting the Company will allow a reasonable opportunity for the Company's Auditor or the Company Auditor's representative to answer such written questions submitted to the Company's Auditor.

### Resolution 1 – Remuneration Report

#### 1.1 General

During this item, there will be a reasonable opportunity for Shareholders at the Meeting to comment on, and ask questions about, the Remuneration Report which is incorporated in the Directors' Report in the Company's 2024 annual financial report.

In accordance with the Corporations Act, the vote on the proposed resolution is advisory only and will not bind the Directors or the Company; however, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

#### 1.2 Voting Consequences

Shareholders should also note that in accordance with the "two strike rule," the result of the vote on this Resolution may affect the Company's 2025 Annual General Meeting. A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a Remuneration Report resolution are voted against adoption of the Remuneration Report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the previous financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting, those persons whose election or re-election as directors of the company is approved will be the directors of the company.

### 1.3 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 approximately 8.1%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

### 1.4 Directors' Recommendation

Given the personal interests of all Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

## **Resolution 2 – Re-election of Director – Mr Fred Grimwade**

Clause 13.2 of the Constitution requires that at the Company's Annual General Meeting in every year, one third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except the Managing Director) shall hold office for a period in excess of 3 years, or until the third Annual General Meeting following his or her appointment, whichever is longer, without submitting himself or herself for re-election.

The Directors to retire at an Annual General Meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A retiring Director is eligible for re-election.

The Company currently has 4 Directors, one of which is a Managing Director, and accordingly 1 must retire.

Mr Grimwade, the longest in office since his last election, retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election. Mr Grimwade was appointed a Director in 2012 and has continuously served as a Director since his appointment, having last been re-elected in 2021.

### ***Mr Grimwade's Biography***

Mr Grimwade is a Fellow of the Governance Institute of Australia, Australian Institute of Company Directors and is a Life Member of the Financial Services Institute of Australasia. He has held general management positions at Colonial Agricultural Company, the Colonial Group, Western Mining Corporation and Goldman, Sachs & Co. He has a broad range of experience in strategic management, mining, finance, corporate governance and law. He is currently a Principal and Director of Fawkner Capital, a specialist corporate advisory and investment firm.

### ***Other Directorships***

In addition to Mr Grimwade's directorship with the Company and Fawkner Capital, Mr Grimwade is a Non-Executive Director of Australian United Investment Company Limited. He is also a Director of other private companies. Mr Grimwade has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

### Directors' Recommendation

The Board has considered the performance of Mr Grimwade as well as the skills, knowledge and experience he brings to the Board and his contribution to Board discussions. Other than Mr Grimwade (who is standing for election), the Board recommends Shareholders vote in favour of the Resolution.

## **Resolution 3 – Approval of issue of performance rights to Mr Vance Stazzonelli or his nominee**

### 3.1 Background

Resolution 3 seeks Shareholder approval of the long-term incentive (LTI) component of Mr Stazzonelli's remuneration through the issue of 186,016 performance rights under the Company's Performance Rights Plan for the 2025 financial year.

The objective of the Performance Rights Plan is to allow the Board to grant performance rights to executives of the Company to:

- (a) assist in the reward, retention and motivation of executives;
- (b) link the reward of executives to performance and the creation of shareholder value;
- (c) align the interests of executives more closely with the interests of shareholders by providing an opportunity for executives to receive Shares;
- (d) provide executives with the opportunity to share in any future growth in value of the Company; and
- (e) provide greater incentive for executives to focus on the Company's longer-term goals.

ASX Listing Rule 10.14 requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

As Shareholder approval is sought under ASX Listing Rule 10.14, separate approval under ASX Listing Rules 7.1 and 10.11 are not required to issue the performance rights to Mr Stazzonelli.

If Resolution 3 is passed, the Company will be able to proceed with the issue of the performance rights to Mr Stazzonelli. If any of Resolution 3 is not passed, the Company will not be able to proceed with the issue of the performance rights to Mr Stazzonelli. If this occurs, the Company will consider other forms of performance-based remuneration for that Director.

### 3.2 Terms of the Performance Rights Plan

#### ***Eligibility Criteria***

Subject to the rules of the Performance Rights Plan, the Performance Rights Plan is open to all eligible participants, being full time, part time and casual employees, contractors and Directors of the Company or any of its related bodies corporate who the Board designates as being eligible. The Directors are entitled to participate in the Performance Rights Plan.

#### ***Invitation and offer of performance rights***

Under the Performance Rights Plan, the Board may invite eligible participants to participate in the Performance Rights Plan and make an offer to acquire performance rights for no consideration. The invitation must be in writing and specify, amongst other things, the number of performance rights that eligible participants may accept, the date on which the performance rights may vest, any conditions to be satisfied before vesting and any other terms attaching to the performance rights.

Following receipt by an eligible participant of an invitation, the eligible participant may make an offer by delivering a duly completed and signed application form or renunciation form (if the eligible participant intends to renounce its invitation) to the Company within the closing time specified in the invitation. The Board may decide to accept or reject an offer. An offer is accepted by the Company by the grant of performance rights to the participant or the participant's nominee.

#### ***Vesting of performance rights***

The performance rights vest upon the satisfaction of any vesting conditions (such as performance criteria) or any other conditions contained in the offer, following which the Company will allocate to the participant the number of Shares to which the participant is entitled under the terms of the offer. If the transfer or issue of Shares on exercise of a performance right would otherwise fall within a blackout period, or breach the insider trading or takeover provisions of the Corporations Act, the Company may delay the transfer or issue of the Shares for as long as it is reasonably practicable to do so.

#### ***Lapse***

Unvested performance rights shall lapse where the vesting conditions have not been met within the relevant vesting period or as otherwise specified by the terms of the offer or rules of the Performance Rights Plan.

#### ***Quotation***

Performance rights will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the Performance Rights Plan in accordance with the ASX Listing Rules and having regard to any disposal restrictions.

#### ***Rights***

A participant is not conferred with the rights of a shareholder until such time as Shares are allocated to the participant.

#### ***Administration***

The Performance Rights Plan is administered by the Board, or its delegates, in accordance with the rules of the Performance Rights Plan. The Board may make regulations and policies for operating and administering the Performance Rights Plan provided that such regulations and policies are consistent with the rules of the Performance Rights Plan.

#### ***Termination and Amendment***

The Performance Rights Plan may be terminated or suspended at any time by the Board. To the extent permitted by the Corporations Act and the ASX Listing Rules, the Board may vary the rules of the Performance Rights Plan except where the amendment would reduce any of the participant's rights (in which case the Board must obtain prior written consent of at least 75% of the participants affected by the proposed change).

### 3.3 The Performance Rights Plan

The Board is responsible for administering the Performance Rights Plan in accordance with the rules of the Performance Rights Plan and the terms and conditions of the specific grants to participants under the Performance Rights Plan.

The Board is cognisant of general Shareholder opinion that long-term equity-based rewards for staff should be linked to the achievement by the Company of performance conditions.

Mr Stazzonelli, who is Managing Director of the Company, receives a fixed remuneration of \$457,600 per annum (including superannuation). The Board will offer 186,016 performance rights to Mr Stazzonelli based on his LTI opportunity for the Performance Rights Plan, being at a rate of 60% of his fixed remuneration (**LTI Opportunity**). The number of performance rights to be awarded has been calculated by dividing the LTI Opportunity amount (being \$274,560) by the 31-day volume weighted average price of the Company's shares (\$1.476) up to and including 31 July 2024.

The performance rights that the Board will offer to Mr Stazzonelli under the Performance Rights Plan for the 2025 financial year are subject to the performance conditions outlined below. The performance conditions must be satisfied in order for the performance rights to vest. The Board currently expects that it will determine whether or not the performance conditions have been satisfied by late August 2027, after the release of the Company's audited financial statements.

In addition, subject to certain exemptions in the Performance Rights Plan, it will be a requirement, in order for Mr Stazzonelli's 186,016 performance rights to vest, that his employment with the Company is not terminated by his resigning or by the Company terminating for cause or underperformance prior to 30 June 2027. If Mr Stazzonelli's employment terminates under a special circumstance, then the vesting of the performance rights may still be assessed against the performance conditions attaching to them, unless the Board determines otherwise. If the above performance hurdles and employment conditions are not met as at the vesting date, Mr Stazzonelli's performance rights will lapse.

Upon the vesting of performance rights, and subject to any adjustments in accordance with the rules of the Performance Rights Plan (e.g. upon a reorganisation of capital), one Share will be automatically issued to Mr Stazzonelli or his nominee for each performance right that vests (unless the Board exercises its discretion below to pay a cash equivalent). Mr Stazzonelli or his nominee will not be required to pay any exercise price to the Company on the vesting of any performance rights.

While the Board's current intention is that Mr Stazzonelli or his nominee will be issued with a Share upon a performance right vesting, the Board retains the discretion to pay the cash equivalent of a performance right (being the gross value of the Shares that would have been issued to Mr Stazzonelli if the Board chose to settle the performance rights in Shares) in lieu of issuing Shares.

In accordance with the Company's Performance Rights Plan and the terms of the offer, the performance rights to be issued to Mr Stazzonelli:

- (a) are not transferrable;
  - (b) do not confer any right to vote, except as otherwise required by law;
  - (c) do not confer any entitlement to a dividend, whether fixed or at the discretion of the directors;
  - (d) do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise;
  - (e) do not confer any right to participate in the surplus profit or assets of the entity upon a winding up; and
  - (f) do not confer any right to participate in new issues of securities such as bonus issues or entitlement issues,
- unless and until the performance rights vest and Mr Stazzonelli is issued Shares.

### 3.4 Indexed Total Shareholder Returns (100% of Performance Rights)

Total shareholder return (**TSR**) is a method of calculating the return Shareholders would earn if they held a notional number of Shares over a period of time. TSR measures the growth in the Company's share price together with the value of dividends during the period, assuming that all of those dividends are re-invested into new Shares. When calculating the Company's TSR, its Share price at the beginning and end of the measurement period will be calculated as a one-month VWAP (i.e. July in year 1 and June in year 3).

The percentage of performance rights out of this tranche that vest, if any, will be determined by reference to the relative TSR of the Company achieved over a three-year performance period commencing 1 July 2024 and ending 30 June 2027 (**Performance Period**), compared to the TSR of the S&P/ASX Small Ordinaries Accumulation Index (**ASOAI**), as follows:

Performance against the relevant condition(s)	Quantum of Performance Rights subject to performance conditions that vest (%)
<b>Less than index TSR</b> Below 100% of the proportionate change in the ASOAI index over the relevant Measurement Period	Nil
<b>Equal to index TSR</b> At 100% of the proportionate change in the ASOAI index over the relevant Measurement Period	50%
<b>Greater than index TSR</b> Between 100% and 120% of the proportionate change in the ASOAI index over the relevant Measurement Period	Pro-rata between 50% and 100%



Threshold vesting of this tranche of the performance rights occurs where the Company's TSR equals the S&P/ASX Small Ordinaries Accumulation Index TSR over the Performance Period. For the whole tranche of performance rights to vest, the Company's TSR must exceed the TSR of the S&P/ASX Small Ordinaries Index over the Performance Period by 20 per cent.

### 3.5 Technical information required by Listing Rule 10.15

Pursuant to and in accordance with the requirements of Listing Rule 10.15, the following information is provided in relation to Resolution 3:

- (a) Subject to Shareholder approval, the performance rights will be issued under the Performance Rights Plan to Mr Vance Stazzonelli, who is a Director of the Company;
- (b) Mr Stazzonelli is a related party of the Company by virtue of being a Director and therefore falls within the category stipulated by Listing Rule 10.14.1;
- (c) The total number of performance rights to be issued to Mr Stazzonelli is 186,016 performance rights;
- (d) Mr Stazzonelli's current total remuneration package for FY 2025 is:
  - (i) Base Remuneration (including superannuation): \$457,600
  - (ii) Performance rights: 186,016 performance rights proposed to be issued to Mr Stazzonelli under this resolution.
  - (iii) Short-term incentives (100% cash): The maximum bonus payable for FY 2025 is \$183,000.
- (e) Mr Stazzonelli currently holds 617,137 performance rights, issued in FY 2023 and FY 2024. These were issued to him for nil cash consideration;
- (f) A summary of the material terms of the performance rights proposed to be issued to Mr Stazzonelli is set out in sections 3.2 and 3.3 of this Explanatory Statement;
- (g) Performance rights are being issued to Mr Stazzonelli to provide an incentive component in his remuneration package to retain his services, motivate performance, and reward the achievement of performance hurdles within a specified period. The Board considers this to be a cost-effective remuneration practice which is reasonable given that the vesting conditions and performance hurdles will align the interests of Mr Stazzonelli with those of Shareholders;
- (h) The fair value of the performance rights will be determined at the date the performance rights are granted to Mr Stazzonelli. In order to provide the information required by Listing Rule 10.15 an indicative valuation has been calculated using the valuation methodology set out in Schedule 1;
- (i) Subject to Shareholder approval being obtained, the performance rights will be issued to Mr Stazzonelli no later than 3 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules), and it is anticipated that the performance rights will be issued on one date;
- (j) the performance rights to be issued to Mr Stazzonelli, and any Shares to be allocated on vesting of the performance rights, will be provided for nil cash consideration;
- (k) a summary of the material terms of the Performance Rights Plan is set out in section 3.2 of this Explanatory Statement;
- (l) no loans will be made to Mr Stazzonelli in relation to the issue, vesting or exercise of the performance rights;
- (m) details of any securities issued under the Performance Rights Plan will be published in the Company's Annual Report 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;
- (n) any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Performance Rights Plan after Resolution 3 is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14; and
- (o) a voting exclusion statement in respect of Resolution 3 is included in this Notice of Meeting.

### 3.6 Directors' Recommendation

Other than Mr Stazzonelli (to whom the performance rights are to be issued), the Directors unanimously recommend that Shareholders vote in FAVOUR of Resolution 3. The Chair intends to vote undirected proxies in FAVOUR of Resolution 3.

## **Resolution 4 – Change of Auditor**

### **4.1 Background**

As announced on 23 May 2024, the Company appointed BDO Audit Pty Ltd (BDO) as the new auditor of the Company following the resignation of the Company's previous auditor, BDO Audit (WA) Pty Ltd (BDO WA) after it gave written notice of its intention to resign as the Company's auditor, and received consent from ASIC on 22 May 2024 to resign as the Company's auditor, in accordance with section 329(5) of the Corporations Act.

The change to the Company's auditor is a result of BDO WA restructuring its audit practice whereby the Company's audits will be conducted by BDO, an authorised audit company, rather than BDO WA.

Under section 327C(2) of the Corporations Act, any auditor appointed under section 327C(1) of the Corporations Act holds office until the company's next annual general meeting. The Company is therefore required to appoint an auditor of the Company to fill the vacancy in the office of auditor at this annual general meeting pursuant to section 327B of the Corporations Act.

Section 328B(1) of the Corporations Act requires that written notice of nomination of a new auditor be received from a member of the Company. The Company has received such a nomination from a Shareholder for BDO to be appointed as the Company's auditor. A copy of the nomination is set out in Schedule 2.

BDO has given its written consent to act as the Company auditor. Resolution 4 seeks Shareholder approval to appoint BDO as the Company's auditor under section 327B of the Corporations Act, which requires shareholder approval for the appointment of a new auditor to fill a vacancy at the Company's annual general meeting.

If Resolution 4 is passed, the appointment of BDO as the Company's new auditor will take effect on the close of the Meeting.

If Resolution 4 is not passed, the Company will need to appoint a new auditor other than BDO.

### **4.2 Directors' Recommendation**

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

## **ENQUIRIES**

Shareholders are requested to contact the Company Secretary on (+ 61 8) 9244 0600 if they have any queries in respect of the matters set out in these documents.

## SCHEDULE 1 - VALUATION OF PERFORMANCE RIGHTS

The fair value of the performance rights proposed to be granted to Mr Vance Stazzonelli pursuant to Resolution 3 will be determined at the date the performance rights are granted using the Monte Carlo Simulation valuation methodology. For the purposes of complying with Listing Rule 10.15 an indicative fair value has been calculated using this methodology and the assumption that the performance rights had been granted on 2 September 2024.

The key inputs used in determining the indicative fair values were as follows:

Item	Input
Underlying security spot price	\$1.56
Exercise price	Nil
Valuation Date	2 September 2024
Commencement of performance period	1 July 2024
Performance measurement date	30 June 2027
Performance period (years)	3.00
Remaining performance period (years)	2.82
Volatility of XRF	38.45%
Volatility of the Index	15.83%
Risk-free rate	3.54%
Dividend yield	2.53%
Valuation per Right	\$1.0623

Based on the above, the Company has calculated an indicative value of all performance rights to be granted to Mr Stazzonelli pursuant to Resolution 3 is \$197,605, comprising:

Number of performance rights	186,016
Fair value per performance right	\$1.0623
<b>Total</b>	<b>\$197,605</b>

Any change in the inputs applied in the Monte Carlo Simulation valuation methodology between the date of the indicative valuation (2 September 2024) and the date the performance rights are granted would have an impact on their value.

## SCHEDULE 2 – AUDITOR NOMINATION LETTER

23 May 2024

Andrew Watson  
Company Secretary  
XRF Scientific Limited  
86 Guthrie Street  
Osborne Park WA 6017

Dear Andrew

RE: Nomination of Auditor

D & GD Brown Nominees Pty Ltd, being a member of XRF Scientific Limited (ACN 107 908 314) (Company), nominate BDO Audit Pty Ltd in accordance with section 328B(1) of the Corporations Act 2001 (Cth) (Corporations Act) to fill the office of auditor of the Company.

Please distribute copies of this notice of this nomination as required by section 328B(3) of the Corporations Act.

Regards,

  
**David Brown**

## GLOSSARY

<b>\$</b>	Australian dollars.
<b>ASX</b>	ASX Limited ACN 008 624 691 or, where the context permits, the financial market operated by it.
<b>AWST</b>	Australian Western Standard Time as observed in Perth, Western Australia.
<b>Auditor</b>	BDO Audit Pty Ltd (ACN 134 022 870).
<b>Auditor's Report</b>	The Auditor's Report on the annual financial report of the Company for the financial year ended 30 June 2024.
<b>Board</b>	The current board of directors of the Company.
<b>Business Day</b>	Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.
<b>Chair</b>	The chairman of the Meeting.
<b>Closely Related Party</b>	A closely related party of a member of Key Management Personnel means: <ul style="list-style-type: none"><li>• a spouse or child of the member;</li><li>• a child of the member's spouse;</li><li>• a dependent of the member or the member's spouse;</li><li>• anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;</li><li>• a company the member controls; or</li><li>• a person prescribed by the <i>Corporations Regulations 2001</i> (Cth).</li></ul>
<b>Company</b>	XRF Scientific Limited (ACN 107 908 314).
<b>Constitution</b>	The constitution of the Company.
<b>Corporations Act</b>	The <i>Corporations Act 2001</i> (Cth).
<b>Director</b>	A current director of the Company.
<b>Directors' Report</b>	The Directors' Report prepared under Chapter 2M of the Corporations Act for the Company for the financial year ended 30 June 2024.
<b>Explanatory Statement</b>	The explanatory statement accompanying the Notice.
<b>Key Management Personnel</b>	Has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
<b>Meeting or Annual General Meeting</b>	The Annual General Meeting convened by the Notice.
<b>Notice</b>	This notice of meeting including the Explanatory Statement and the Proxy Form.
<b>Performance Rights Plan</b>	The XRF Scientific Limited Performance Rights Plan, whereby eligible employees will be invited to apply for performance rights, which will be converted to Shares if performance criteria are satisfied within a set performance period.
<b>Proxy Form</b>	The proxy form accompanying the Notice.
<b>Remuneration Report</b>	The Remuneration Report set out in the Director's Report section of the Company's annual financial report for the year ended 30 June 2024.
<b>Resolutions</b>	The resolutions set out in the Notice, or any one of them, as the context requires.
<b>Share</b>	A fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	A holder of a Share.

# XRF SCIENTIFIC LIMITED

ACN 107 908 314

## 2024 ANNUAL GENERAL MEETING PROXY FORM

(Name of member/s)

Of

(Address of member/s)

### Appointment of Proxy

I/We being a member/s of XRF Scientific Limited and entitled to attend and vote at the Annual General Meeting hereby appoint

the Chairman of the Meeting  
(mark with an 'X')

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting

or, failing the person named, or if no person is named, the Chairman of the Meeting, or the Chairman's nominee, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given and subject to the relevant laws, as the proxy sees fit) at the Annual General Meeting of XRF Scientific Limited to be held on Monday, 21 October 2024, at the Quest Hotel, 1 Sunray Drive, Innaloo WA 6018, commencing at 11:00 a.m. (AWST) and at any adjournment of that meeting.

### AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

### CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. If this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting directions to your proxy – please mark  to indicate your directions.

	FOR	AGAINST	ABSTAIN
1. Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Director – Mr Fred Grimwade	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval of issue of performance rights to Mr Vance Stazonelli or his nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Change of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in calculating the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_%.

**Please sign here**

THIS SECTION MUST BE SIGNED IN ACCORDANCE WITH THE INSTRUCTIONS OVERLEAF TO ENABLE YOUR DIRECTIONS TO BE IMPLEMENTED.

Individual or Securityholder 1

Individual/ Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/ Company Secretary

Contact Name

Contact Daytime Telephone No.

Date

## HOW TO COMPLETE THE PROXY FORM

### 1. Appointment of a Proxy

A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the Company.

### 2. Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities 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 securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, 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.

### 3. 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. However, where both proxies attend the Meeting, voting may only be exercised on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the Company or you may copy this form.

To appoint a second proxy you must:

- (a) indicate that you wish to appoint a second proxy on the form overleaf;
- (b) on each of the first Proxy Form and the second Proxy Form, state the percentage of your voting rights or number of securities 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
- (c) return both forms together in the same envelope.

### 4. 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, all of the shareholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the Company. 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) 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.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

### 5. Attending the Meeting

Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.

### 6. Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below no later than 48 hours before the commencement of the meeting at 11:00 a.m. on Monday, 21 October 2024. **Any Proxy Form received after that time will not be valid for the scheduled meeting.**

Documents may be lodged by posting, delivery, or email to:

XRF Scientific Limited  
86 Guthrie Street  
Osborne Park WA 6017  
Email: [investors@xrfscientific.com](mailto:investors@xrfscientific.com)