
CHARIOT CORPORATION LIMITED

ACN 637 559 847

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11:00am (WST)
DATE: 13 December 2022
PLACE: C/- Mining Corporate
Level 8, London House
216 St Georges Terrace
Perth WA 6000

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 11:00am (WST) on 11 December 2022.

BUSINESS OF THE MEETING

AGENDA

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ending 31 December 2021 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

1. RESOLUTION 1 – RE-ELECTION OF DIRECTOR – SHANTHAR PATHMANATHAN

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

“That, for the purpose of clause 12.11.1 of the Constitution, and for all other purposes, Shanthar Pathmanathan, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

2. RESOLUTION 2 – ELECTION OF DIRECTOR – JASVEER JESSY

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

“That, for the purpose of clause 12.17.1 of the Constitution, and for all other purposes, Jasveer Jessy, a Director who was appointed casually on 5 March 2021, retires, and being eligible, is elected as a Director.”

3. RESOLUTION 3 – ELECTION OF DIRECTOR – FREDERICK FORNI

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

“That, for the purpose of clause 12.17.1 of the Constitution, and for all other purposes, Frederick Forni, a Director who was appointed to fill a casual vacancy on 2 August 2021, retires, and being eligible, is elected as a Director.”

4. RESOLUTION 4 – APPOINTMENT OF AUDITOR AT FIRST AGM

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 of the Corporations Act and for all other purposes, Moore Australia Audit (WA) Pty Ltd, having been nominated by a Shareholder and having consented in writing to act in the capacity of auditor, be appointed as auditor of the Company with effect from the close of the meeting.”

5. RESOLUTION 5 – SELECTIVE SHARE BUY-BACK (CLASS B SHARES)

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

“That, for the purposes of Section 257D of the Corporations Act and for all other purposes, approval is given for the Company to undertake a

selective Buy-Back of 1,600,000 of the Company's Class B Shares and to cancel those shares in accordance with the terms and conditions set out in the Explanatory Statement."

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

6. RESOLUTION 6 – SELECTIVE SHARE BUY-BACK (CLASS C SHARES)

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

"That, for the purposes of Section 257D of the Corporations Act and for all other purposes, approval is given for the Company to undertake a selective Buy-Back of 20,736,976 of the Company's Class C Shares and to cancel those shares in accordance with the terms and conditions set out in the Explanatory Statement."

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

7. RESOLUTION 7 – REPLACEMENT OF CONSTITUTION

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

"That, subject to and conditional upon completion of the Buy-Back, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes."

Dated: 18 November 2022

By order of the Board

**Craig McNab
Company Secretary**

Voting Prohibition Statements

Resolution 5 – Selective Share Buy-Back (Class B Shares)	The Company will disregard any votes cast in favour of Resolution 5 by: (a) a person who is expected to participate in the proposed selective Buy-Back and a person who will obtain a material benefit, except a benefit solely by reason of being a holder of ordinary securities if the resolution is passed; and (b) any associates of those persons.
Resolution 6 – Selective Share Buy-Back (Class C Shares)	The Company will disregard any votes cast in favour of Resolution 6 by: (a) a person who is expected to participate in the proposed selective Buy-Back and a person who will obtain a material benefit, except a benefit solely by reason of being a holder of ordinary securities if the resolution is passed; and (b) any associates of those persons.

Voting in person

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

Voting by proxy

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

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

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

Shareholders and their proxies should be aware that:

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9481 0389.

EXPLANATORY STATEMENT

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

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 31 December 2021 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

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

2. RESOLUTION 1 – RE-ELECTION OF DIRECTOR – SHANTHAR PATHMANATHAN

2.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Shanthar Pathmanathan, who has served as a Director since 16 March 2020 retires by rotation and seeks re-election.

Pursuant to clauses 12.9 and 12.10 of the Constitution, a retiring Director who offers to be re-elected at a general meeting is re-appointed to the office of Director with effect from the end of that meeting if the Director stands for re-election, is re-elected and is not disqualified under the Corporations Act from holding office.

2.2 Qualifications and other material directorships

Mr Pathmanathan was most recently the CEO and managing director of Lithium Consolidated Ltd, an ASX-listed company, which had one of the largest portfolios of Hardrock lithium exploration assets, globally. Mr Pathmanathan also has 14 years of investment banking experience in the metals and mining, oil and gas and chemicals sectors. He was with Deutsche Bank's investment banking division and prior to that held investment banking and principal investment roles with the Macquarie Group's investment banking division in Australia and New York.

Mr Pathmanathan holds a Bachelor of Laws from the University of Western Australia.

2.3 Independence

If re-elected, the Board does not consider Mr Pathmanathan will be an independent Director.

2.4 Board recommendation

The Board supports the re-election of Mr Pathmanathan and recommends that Shareholders vote in favour of Resolution 1.

3. RESOLUTIONS 2 AND 3 – ELECTION OF DIRECTORS

3.1 General

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

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

(a) **Jasveer Jessy**

Jasveer Jessy, having been appointed by other Directors on 5 March 2021 in accordance with the Constitution, will retire in accordance with the Constitution and being eligible, seeks election from Shareholders.

(b) **Frederick Forni**

Frederick Forni, having been appointed by other Directors on 2 August 2021 in accordance with the Constitution, will retire in accordance with the Constitution and being eligible, seeks election from Shareholders.

3.2 Qualifications and other material directorships

(a) **Jasveer Jessy**

Mr Jessy is a stockbroker and investor in venture-stage and early-stage companies. Mr Jessy has financed a number of ASX listed and unlisted companies. Mr Jessy contributed to the financing of VGW Holdings Ltd. Mr Jessy was previously the state manager of a stock-broking firm in Perth, Western Australia.

Mr Jessy holds a Bachelor of Commerce from Murdoch University.

(b) **Frederick Forni**

Mr Forni was a senior finance professional with Macquarie Holdings (USA) Inc., a US affiliate of Macquarie Group Limited from October 1997 to October 2012 (and a Senior Managing Director from and after July 2004) where he was involved in (i) developing, marketing, executing and managing structured and conventional financial products transactions for the Macquarie Group, including the establishment of an NYSE listed USD 425m closed-end fund (Macquarie Global Infrastructure Fund; ticker: MGU) and the formation and management of specialized investment portfolios of CLO and CMBS securities aggregating in excess of USD 1 billion and (ii) structuring principal and advisory transactions principally from an income taxation perspective. Mr Forni acted as a non-executive director for numerous Macquarie Group entities, including an investment adviser under the Investment Company Act of 1940 and a fund incubation joint venture with M.D. Sass. From 1995 to 1997 Mr Forni was employed as a tax associate with Morgan, Lewis & Bockius LLP. Mr Forni held Series 24, Series 7 and Series 63 FINRA licenses and is admitted to practice law in both New York and Connecticut.

Mr Forni holds a B.A in Economics from Connecticut College, J.D., awarded cum laude, from Georgetown University Law Center and an LL.M. in taxation from New York University Law School.

3.3 Independence

(a) **Jasveer Jessy**

Mr Jessy has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected the Board does not consider Mr Jessy will be an independent Director.

(b) **Frederick Forni**

Mr Forni has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected the Board considers Mr Forni will be an independent Director.

3.4 Other material information

(a) **Jasveer Jessy**

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. The Company undertook such checks prior to the appointment of Mr Jessy.

Mr Jessy has confirmed that he considers he will have sufficient time to fulfil his responsibilities as a Non-Executive Director of the Company and does not consider that any other commitment will interfere with his

availability to perform his duties as a Non-Executive Director of the Company.

(b) **Frederick Forni**

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. The Company undertook such checks prior to the appointment of Mr Forni.

Mr Forni has confirmed that he considers he will have sufficient time to fulfil his responsibilities as a Non-Executive Director of the Company and does not consider that any other commitment will interfere with his availability to perform his duties as a Non-Executive Director of the Company.

3.5 **Board recommendation**

(a) **Jasveer Jessy**

The Board supports the election of Mr Jessy and recommends that Shareholders vote in favour of Resolution 2.

(b) **Frederick Forni**

The Board supports the election of Mr Forni and recommends that Shareholders vote in favour of Resolution 3.

4. **RESOLUTION 4 – APPOINTMENT OF AUDITOR AT FIRST AGM**

The directors of a public company must appoint an auditor within one month of registration. The Directors have appointed Moore Australia Audit (WA) Pty Ltd as the Company's auditor.

The auditor of a public company so appointed within one month of registration holds office until the first annual general meeting of the Company. The auditor must be re-appointed at the first annual general meeting so that they may continue to act as auditor of the Company.

In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a shareholder for Moore Australia Audit (WA) Pty Ltd to be appointed as the Company's auditor. A copy of this nomination is attached to this Explanatory Statement as Annexure A.

Moore Australia Audit (WA) Pty Ltd has given its written consent to act as the Company's auditor subject to shareholder approval of this resolution.

If this resolution is passed, the appointment of Moore Australia Audit (WA) Pty Ltd as the Company's auditor will take effect at the close of this Meeting.

5. **RESOLUTIONS 5 AND 6 – APPROVAL FOR SELECTIVE BUY-BACK OF SHARES**

5.1 **Background and Purpose of the Buy-Back**

The Company proposes to buy back and cancel (**Buy-Back**) 100% of the Class B Shares and Class C Shares (together the **Buy-Back Shares**) that are currently on issue, from the holders of the Buy-Back Shares (**Selling Shareholders**), as set out in Schedule 1.

In consideration for the acquisition, the Company will issue each Selling Shareholder 1 Share for every 2.5 Buy-Back Shares acquired from the Selling Shareholder. There are a total of 22,336,976 Buy-Back Shares on issue (1,600,000 Class B and 20,736,976 Class C), meaning a total of 8,934,790 Shares are proposed to be issued as consideration (**Consideration Shares**).

Resolutions 5 and 6 seek the approval of Shareholders to enable the Company to buy back and cancel the Buy-Back Shares.

5.2 Terms of Buy-Back Agreement

Prior to the Meeting, the Company will enter into a conditional Buy-Back agreement with each of the Selling Shareholders, setting out the terms and conditions of the Buy-Back (**Buy-Back Agreements**).

The Buy-Back Agreements will contain the following material terms and conditions:

(a) Sale and Buy-Back

Subject to the satisfaction of the conditions precedent in (b) below, each Selling Shareholder has agreed to transfer their respective Buy-Back Shares to the Company and the Company has agreed to buy back the Buy-Back Shares free from all encumbrances and with all rights attaching to them.

In consideration for the acquisition, the Company will issue each Selling Shareholder 1 Share for every 2.5 Buy-Back Shares acquired from the Selling Shareholder (with fractional components rounded to the nearest whole number).

(b) Conditions Precedent

The Buy-Back is conditional upon:

- (i) Shareholder approval for the Buy-Back being obtained by the Company in accordance with the Corporations Act; and
- (ii) the completion or satisfaction of any actions required by ASIC in connection with the Buy-Back generally.

(c) Completion

On completion:

- (i) each Selling Shareholder must deliver to the Company a duly executed instrument transferring such Shareholder's respective Buy-Back Shares to the Company in registrable form; and
- (ii) the Company must issue the proper quantity of Consideration Shares to each Selling Shareholder and deliver a share certificate to the Selling Shareholder for the Consideration Shares.

5.3 Section 257D of the Corporations Act

The Corporations Act provides that the rules relating to share Buy-Backs are designed to protect the interests of shareholders and creditors of a company by:

- (a) addressing the risk of the transaction leading to the company's insolvency;
- (b) seeking to ensure fairness between the shareholders of the company; and
- (c) requiring the company to disclose all material information.

In particular, section 257A of the Corporations Act provides that a company may buy back its own shares if:

- (a) the Buy-Back does not materially prejudice the company's ability to pay its creditors; and
- (b) the company follows the procedures laid down in Division 2 of Part 2J.1 of the Corporations Act.

Pursuant to section 257D(2) of the Corporations Act, a selective share Buy-Back must be approved by either:

- (a) a special resolution passed at a general meeting of the Company, with no votes being cast in favour of the resolution by any person whose shares are to be bought back or by their associates; or
- (b) a resolution agreed to at a general meeting by all ordinary shareholders.

Pursuant to section 257D(2) of the Corporations Act, the Company must include with the notice of meeting a statement setting out all information known to the Company that is material to the decision on how to vote on the Resolution. However, the Company does not have to disclose information if it would be unreasonable to require the Company to do so because the Company had previously disclosed the information to Shareholders.

Pursuant to section 257G of the Corporations Act, the Company must include with the offer to buy back shares a statement setting out all information known to the Company that is material to the decision whether to accept the offer.

Section 257H(3) of the Corporations Act provides that immediately after the registration of the transfer to a company of shares bought back, the shares are cancelled.

ASIC Regulatory Guide 110 sets out what ASIC expects a company to provide when disclosing such information to shareholders with a notice of meeting. This information is set out below.

5.4 Chapter 2E of the Corporations Act

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

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

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

The issue of Shares in consideration for the proposed Buy-Back constitutes giving a financial benefit and Jasveer Jessy, who holds 2,200,000 Class C Shares, is a related party of the Company by virtue of being a Director of the Company. Mr Jessy will receive 880,000 Shares in consideration for the Buy-Back of his Class C Shares.

The Directors (excluding Jasveer Jessy) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the purchase of Mr. Jessy's 2,200,000 Class C Shares in exchange for 880,000 Shares because the financial benefit would be reasonable in the circumstances if the Company and the related party were dealing at arm's length (per section 210 of the Corporations Act) as evidenced by the other Class C Shareholders that are not related parties of the Company completing their Buy-Backs with the Company on the same terms as Mr. Jessy.

5.5 Impact of the Buy-Back on the capital structure of the Company

The effect of the proposed Buy-Back on the Company will be to cancel all the Class B Shares and Class C Shares on issue in the Company and leave the Company with only ordinary shares on issue.

The overall effect on the capital structure of the Company is set out below:

Capital Structure	Shares*		
	Ordinary	Class B	Class C
Securities on issue as at the date of this Notice	53,460,018	1,600,000	20,736,976
Class B Shares subject to selective Buy-Back and cancellation (Resolution 5)	-	(1,600,000)	-
Class C Shares subject to selective Buy-Back and cancellation (Resolution 6)	-	-	(20,736,976)
Consideration Shares to issued pursuant to the Buy-Back	8,934,790	-	-
Total Securities on issue on completion of Buy-Back	62,394,808	Nil	Nil

*The Company also has 32,456,837 Options and 1,000,000 Performance Rights on issue.

5.6 Financial effect of the Buy-Back on the Company

The Company will incur no liabilities or costs in respect of the proposed Buy-Back other than the obligation to issue the Consideration Shares and to pay costs in connection with the negotiation and execution of the Buy-Back Agreements, and the preparation of this Notice and the Meeting.

The total consideration payable to the Selling Shareholders under the Buy-Back Agreements is 8,934,790 Shares. Thus, there will be no immediate material impact on the Company's cash position.

5.7 Effect of the Buy-Back on control of the Company

If Resolutions 5 and 6 are passed, it is not expected that the Buy-Back will have any material impact on control of the Company. The Buy-Back Shares do not

confer a right to vote at any general meeting of the Company. The 8,934,790 Shares to be issued as consideration for the Buy-Back will confer voting rights. As such, the Buy-Back will increase the number of voting shares in the Company, which will reduce the proportionate voting power of the present holders of ordinary shares.

No Buy-Back Shareholder will hold more than 5% of the issued share capital of the Company following completion of the Buy-Back.

5.8 Overview of tax implication of the Buy-Back for Selling Shareholders who are resident in Australia

The application of tax legislation may vary according to the individual circumstances of Shareholders. The income tax consequences may differ depending on whether the Class B or Class C Shares are held on revenue or capital account, as trading stock or tax-exempt organisations. It should be emphasised that these comments are general, may not apply to each Shareholder's individual circumstances and cannot be relied upon for accuracy or completeness.

Therefore, Shareholders should seek and rely on their independent taxation advice concerning the tax consequences of the Buy-Back. Neither the Company nor any of its officers or its advisers accept liability or responsibility concerning such matters.

5.9 Reason for the Buy-Back

The Company's goal is to simplify its capital structure in anticipation of a proposed initial public offering and listing on a public stock exchange (**Proposed IPO**). The Company believes that the proposed Buy-Back will achieve a more efficient capital structure, whilst allowing the Buy-Back Shareholder to retain an interest in the Company via the issue of Shares as consideration.

The Class B and C Shares are "non-voting shares" meaning they do not confer upon the holder any right to vote at general meetings of the Company's shareholders. The Buy-Back (and issue of the Consideration Shares) will provide the holders of the Class B Shares and Class C Shares with voting rights and greater liquidity, in exchange for a diminution of their economic interest in the Company. Subject to completion of the Proposed IPO, the Consideration Shares are proposed to be listed on a public stock exchange, on the same terms as the balance of the fully paid ordinary shares in the Company that are presently on issue.

The number of Consideration Shares offered in exchange for the Buy-Back Shares was determined via arm's length negotiations between the Company and each Selling Shareholder, who have each agreed under their respective Buy-Back Agreement to receive a fixed number of Consideration Shares for their Buy-Back Shares.

The consideration provided to each Selling Shareholder under the Buy-Back is 1 Share for every 2.5 Buy-Back Shares sold. Based on the issue price of the Company's last seed capital financing round completed in May 2022 (\$0.35 per Share raising ~\$2.265 million), the deemed dollar value of the Buy-Back consideration would be \$0.14 per Buy-Back Share. It is noted however that this valuation methodology may not be appropriate given the Company's private nature and lack of earnings or cashflows from operations.

5.10 Advantages and disadvantages of the Buy-Back

The Board notes the following advantages of the Buy-Back:

- (a) completion of the Buy-Back will simplify the capital structure of the Company by eliminating two classes of non-voting shares, which the Company believes will assist in structuring the Proposed IPO to attract suitable brokers and prospective investors;
- (b) the Buy-Back will provide the holders of the Buy-Back Shares with voting rights and, assuming the Proposed IPO is completed, greater liquidity;
- (c) the Buy-Back will reduce the total number of shares on issue, increasing the proportionate economic interest of the present holders of ordinary shares;
- (d) the Buy-Back does not reduce the cash reserves of the Company and therefore will not impact the Company's ability to pay creditors because the cash costs are sunk and, in any event, not significant.

The Board notes the potential disadvantages of the Buy-Back:

- (a) the Company has incurred costs in connection with the negotiation and execution of the Buy-Back Agreements, and the preparation of this Notice and the Meeting (notwithstanding that these costs are sunk and, in any event, not significant);
- (b) for the holders of Buy-Back Shares, the Buy-Back will represent a diminution of their economic interest in the Company;
- (c) the Buy-Back will increase the number of voting shares in the Company, which will reduce the proportionate voting power of the present holders of ordinary shares.

The Board notes, however, that it considers that the potential advantages of the Buy-Back for Shareholders outweigh the potential disadvantages. The Board also notes, that each of the Directors considers that the proposed Buy-Back will not prejudice the Company's ability to pay its creditors or the interests of Shareholders generally.

5.11 The Company's current business plan

Other than as disclosed in this Notice, the Buy-Back is considered by the Board to have no direct impact on the Company's business activities and plan going forward.

5.12 Recommendations of Directors

Based on the information available, including that contained in this Explanatory Statement, the Board considers that the Buy-Back is in the best interests of the Company for the reasons set out in Sections 5.9 and 5.10 above.

Accordingly, the Board recommends that Shareholders approve Resolutions 5 and 6.

5.13 Other material information

There is no other information material to the making of a decision by Shareholders whether or not to approve Resolutions 5 and 6 that is known to the Board and which has not previously been disclosed to Shareholders, other than as set out in this Explanatory Statement.

Pursuant to section 257H(3) of the Corporations Act, immediately after the registration of the transfer to the Company of the Buy-Back Shares bought back pursuant to Resolutions 5 and 6, those Buy-Back Shares will be cancelled.

6. RESOLUTION 7 – REPLACEMENT OF CONSTITUTION

6.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of shareholders.

Resolution 7 is a special resolution which will enable the Company to repeal its existing Constitution (**Existing Constitution**) and adopt a new constitution (**New Constitution**).

The New Constitution to be adopted is a customary constitution for a public company limited by shares intending to list on the ASX and reflects the current provisions of the Corporations Act and ASX Listing Rules.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the New Constitution rather than to amend a multitude of specific provisions.

It is not practicable to list all clauses in the New Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the New Constitution can be sent to Shareholders upon request to the Company Secretary (+61 8 9481 0389). Shareholders are invited to contact the Company if they have any queries or concerns.

As set out in Resolutions 5 and 6 above, the Company is proposing to Buy-Back and cancel the Class B and Class C Shares that are currently on issue. As the rights attaching to the Class B and Class C Shares are embedded within the Existing Constitution (and not otherwise accounted for within the New Constitution), this Resolution (and the adoption of the New Constitution) is subject to and conditional upon completion of the Buy-Back.

6.2 Summary of material proposed changes

Restricted Securities (clause 2.12)

The New Constitution complies with the changes to ASX Listing Rule 15.12 which took effect from 1 December 2019. As a result of these changes (should the Company be admitted to the Official List of the ASX) ASX will require certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A of the ASX Listing Rules. However, for less significant holdings (such as non-related parties and non-promoters), ASX will permit the Company to issue restriction

notices to holders of restricted securities in the form of an Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

Fee for registration of off market transfers (clause 8.4(c))

On 24 January 2011, ASX amended Listing Rule 8.14 with the effect that the Company may now charge a “reasonable fee” for registering paper-based transfers, sometimes referred to “off-market transfers”.

Clause 8.4 of the New Constitution will enable the Company (should the Company be admitted to the Official List of the ASX) to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

Joint Holders (new clause 9.8)

CHESS is currently being replaced by ASX with a projected go-live date of April 2023. As part of the CHESS replacement, the registration system will be modernised to record holder registration details in a structured format that will allow up to four joint holders of a security. Clause 9.8 of the New Constitution provides that the number of registered joint holders of securities shall be as permitted under the ASX Listing Rules and the ASX Settlement Operating Rules.

Capital Reductions (new clause 10.2)

The New Constitution now permits sales of unmarketable parcels to a sale nominee as part of a capital reduction.

Direct Voting (clause 13, specifically clauses 13.35 – 13.40)

The New Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

Use of technology (new clause 14)

The New Constitution includes a new provision to permit the use of technology at Annual General Meetings (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.

Dividends (new clause 23)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The New Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

Partial (proportional) takeover provisions (new clause 37)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the New Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the New Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 7.

GLOSSARY

\$ means Australian dollars.

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

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

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

Buy-Back Agreement has the meaning given in Section 5.1.

Buy-Back Shares has the meaning given in Section 5.1.

Chair means the chair of the Meeting.

Class B Share means a fully paid B class share in the capital of the Company pursuant to clause 23.2 of the Constitution.

Class C Share is a fully paid C class share in the capital of the Company pursuant to clause 23.2 of the Constitution.

Company means Chariot Corporation Limited (ACN 637 559 847).

Consideration Shares has the meaning given in Section 5.1.

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Listing Rules means the Listing Rules of ASX.

New Constitution has the meaning given in Section 6.1.

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

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 31 December 2021.

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

Section means a section of the Explanatory Statement.

Selling Shareholder has the meaning given in Section 5.1.

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

Shareholder means a registered holder of a Share.

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

SCHEDULE 1 – SELLING SHAREHOLDERS

CLASS B SHAREHOLDERS

Selling Shareholder	Number of Class B Shares held	Number of Buy-Back Shares	Consideration Shares
TWO INFINITIES PTY LTD <HOWELL SUPERANNUATION A/C>	800,000	800,000	320,000
TROY WILSON	800,000	800,000	320,000
TOTAL	1,600,000	1,600,000	640,000

CLASS C SHAREHOLDERS

Selling Shareholder	Number of Class C Shares held	Number of Buy-Back Shares	Consideration Shares
SUMEET SINGH BAGGA	400,000	400,000	160,000
CHRISTOPHER JOHN BANNISTER	200,000	200,000	80,000
DAVID CARTER	360,000	360,000	144,000
RAMESH CHAKRAPANI	400,000	400,000	160,000
LIONEL ANDRE CORREIA	160,000	160,000	64,000
AJAIB DHILLON	200,000	200,000	80,000
ROMESH FERNANDO	160,000	160,000	64,000
VINCENZO FIGLIOMENI &	2,090,000	2,090,000	836,000
SAMANTHA GIERTZ	40,000	40,000	16,000
GURPREET SINGH GILL	80,000	80,000	32,000
WILLIAM JEAN GLITSOS	160,000	160,000	64,000
DANIEL HARRISON	200,000	200,000	80,000
HITCH PTY LTD <TERRAWATT A/C>	2,760,000	2,760,000	1,104,000
AUSTIN DAVID HOWELL	59,200	59,200	23,680
HSN INVESTMENTS PTY LTD <VIJ SUPERANNUATION A/C>	240,000	240,000	96,000
JESSY GROUP PTY LTD <THE JJ A/C>	2,200,000	2,200,000	880,000
SUKHDEEP SINGH JESSY <SUKHDEEP FAMILY A/C>	840,000	840,000	336,000
SUKHDEEP SINGH JESSY & JESSICA NGO	600,000	600,000	240,000
GOPI JEYARRAJ	220,000	220,000	88,000
MICHAEL LORES JNR	200,000	200,000	80,000
KAI BIN KOH	160,000	160,000	64,000
WILLARD MBLAKA	80,000	80,000	32,000
PATMINDERJIT SINGH MHAN	800,000	800,000	320,000
VIVEK MIRANDA	120,000	120,000	48,000
MOYSEL PTY LTD <SOPHAT INVESTMENT A/C>	400,000	400,000	160,000
CARLOS ANDREAS	80,000	80,000	32,000
SANDEEP SINGH NAGRA	320,000	320,000	128,000

Selling Shareholder	Number of Class C Shares held	Number of Buy-Back Shares	Consideration Shares
THI NGUYEN	40,000	40,000	16,000
NOLEVCO PTY LTD <NOLIS FAMILY A/C>	1,040,000	1,040,000	416,000
JAMES AGGREY ORLEANS	160,000	160,000	64,000
AJINTHA PATHMANATHAN	2,090,000	2,090,000	836,000
KANAGAM PERINPANTHAN	400,000	400,000	160,000
RAJAN RAI	120,000	120,000	48,000
HAROON RASHID	200,000	200,000	80,000
SALVINDER SINGH SANGHA	280,000	280,000	112,000
PUNEET SHAHANI	400,000	400,000	160,000
BALJIT SINGH	1,277,776	1,277,776	511,110
JASWANT SINGH SINGH	200,000	200,000	80,000
FRANCIS XAVIER DE SOUZA	160,000	160,000	64,000
PETER SPITALNY	200,000	200,000	80,000
REECE TACEY &	40,000	40,000	16,000
ULLASH TIWARI	200,000	200,000	80,000
VINCE TRUDA	200,000	200,000	80,000
ANDREW WADHWANI	200,000	200,000	80,000
TOTAL	20,736,976	20,736,976	8,294,790

ANNEXURE A – NOMINATION OF AUDITOR LETTER

18 November 2022

The Board of Directors
CHARIOT CORPORATION LTD
Suite 3, 128 Main Street
OSBORNE PARK WA 6017

I, Shanthar Pathmanathan, being a member of Chariot Corporation Ltd (ACN 637 559 847) (**Company**), nominate Moore Australia Audit (WA) Pty Ltd in accordance with section 328B(1) of the *Corporations Act 2001* (Cth) (**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 Act.

Yours faithfully

Shanthar Pathmanathan