



QUALITAS

Notice of Annual General Meeting and Explanatory Notes

QUALITAS LIMITED ACN 655 057 588

Date 18 November 2022

Time 10.00am

Place Hybrid meeting

Physical venue

The W Hotel
408 Flinders Lane
Melbourne

Virtually through meetings.linkgroup.com/QAL2022

Notice of annual general meeting

The annual general meeting of shareholders (**AGM**) of Qualitas Limited (**Company** or **Qualitas**) will be held as a hybrid meeting with the physical venue of the meeting at The W Hotel, 408 Flinders Lane, Melbourne. Alternatively, you may participate online at <https://meetings.linkgroup.com/QAL2022>. The AGM will be at 10am (AEDT) on Friday, 18 November 2022.

Registration is available 30 minutes in advance at <https://meetings.linkgroup.com/QAL2022>.

After registering, you will receive a confirmation email (if your preference is to join online) containing information about joining the AGM.

This Notice of Meeting should be read in conjunction with the important information on pages 5 to 9 and the Explanatory Notes accompanying and forming part of this Notice of Meeting. Please ensure that you read the important information and the Explanatory Notes in full.

Each resolution set out in the Notice of Meeting requires a simple majority of votes cast by or on behalf of shareholders entitled to vote on the resolution. A special resolution must be passed by at least 75% of the votes cast by or on behalf of shareholders entitled to vote.

Business

Please note that additional information concerning the proposed resolutions is contained in the Explanatory Notes that accompany and form part of this Notice of Meeting.

1. Financial statements and reports

To receive and consider:

- (a) the financial statements;
- (b) the directors' report; and
- (c) the auditor's report

of Qualitas for the year ended 30 June 2022.

2. Adoption of the Remuneration Report

To consider and if thought fit, pass the following resolution:

That the Remuneration Report of the Company (which forms part of the directors' report) for the financial year ended 30 June 2022 be adopted.

Note: This resolution is advisory only and does not bind the Company or the Directors.

A voting exclusion applies to this resolution – please refer to the voting exclusions on pages 8 to 9.

3. Election of directors

To consider and, if thought fit, pass resolutions for the re-election of the following Directors of the Company:

- (a) Andrew Fairley AM; and
- (b) JoAnne Stephenson.

Note: Items 3(a) and (b) will be voted on as separate resolutions. Information about the Directors is included in the Explanatory Notes which form part of this Notice of Meeting.

4. Appointment of Auditor

To consider and, if thought fit, to pass the following resolution:

That, for the purpose of section 327B of the *Corporations Act 2001* (Cth) and all other purposes, KPMG, having consented by notice in writing to act as auditor, is appointed as the Company's auditor, with effect from the end of this AGM.

5. Long Term Incentive Loan Plan and allocation of loan shares to the Group Managing Director

To consider and, if thought fit, to pass the following resolution:

That for the purposes of:

- (a) sections 259B(2) and s260C(4) of the Corporations Act and the definition of 'employee share buy-back' in section 9 of that Act; and
- (b) ASX Listing Rule 10.14,

and for all other purposes, Shareholders approve respectively:

- (c) the Company's Long Term Incentive Loan Plan (**Loan Plan**) having the terms summarised in the Explanatory Notes to and forming part of the Notice of this Meeting; and
- (d) the acquisition of fully paid ordinary shares in the Company for Andrew Schwartz, Group Managing Director, with a fair value of \$1,500,000 under the Company's Loan Plan, on the terms summarised in the Explanatory Notes.

A voting exclusion applies to this resolution – please refer to the voting exclusions on pages 8 to 9.

6. Approval of the Qualitas Employee Equity Plan

To consider and, if thought fit, to pass the following resolution:

That, pursuant to and in accordance with Exception 13(b) of ASX Listing Rule 7.2, for the purposes of the definition of 'employee share buy-back' in section 9 of the Corporations Act and for all other purposes, Shareholders approve the employee incentive scheme of the Company known as the Qualitas Employee Equity Plan and the issue of Securities under that plan, on the terms and conditions summarised in the Explanatory Notes to and forming part of the Notice of this Meeting.

A voting exclusion applies to this resolution – please refer to the voting exclusions on pages 8 to 9.

7. Approval of ADIA placement

To consider and, if thought fit, to pass the following resolution:

That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve the placement of Options to the Abu Dhabi Investment Authority (**ADIA**), on the terms summarised in the Explanatory Notes to and forming part of the Notice of this Meeting.

A voting exclusion applies to this resolution – please refer to the voting exclusions on pages 8 to 9.

8. Other business

To transact any other business which may legally be brought before the meeting.

By order of the board

17 October 2022

Date



Signed

Terrie Morgan
Company Secretary

Voting and proxies

Right to attend, speak and vote at the Annual General Meeting

Shareholders of the Company have the right to attend, speak and vote at the AGM. The right to vote is subject to the voting exclusions detailed in the Notice of Meeting.

Shareholders who plan to attend the AGM virtually are asked to register in advance at <https://meetings.linkgroup.com/QAL2022> so that their holding may be checked against the Company's register of members and attendances recorded.

As determined by the Board, for the purposes of the AGM, Shareholders will be those persons who are registered as Shareholders at 7.00pm (AEDT) on Wednesday 16 November 2022. Accordingly, transfers registered after that time will be disregarded in determining entitlements to attend and vote at the AGM.

Voting on resolutions

As required under recent amendments to the *Corporations Act*, all voting on the resolutions proposed and stated in the Notice of Meeting will be by way of a poll and not a show of hands.

Appointing a Proxy

A shareholder who is entitled to attend and vote at the AGM may appoint up to two proxies to attend and vote on behalf of that shareholder. If you require an additional proxy form, please contact the Company's Share Registrar qualitas@linkmarketservices.com.au or you may copy the enclosed proxy form.

If a shareholder appoints two proxies, the appointment of the proxies may specify the proportion or the number of that shareholder's votes that each proxy may exercise. If the appointment does not so specify, each proxy may exercise half of the votes. Fractions of votes will be disregarded.

A proxy need not be a shareholder of the Company and may be an individual or a body corporate. You can direct your proxy how to vote (i.e., to vote 'for' or 'against' or to 'abstain' from voting on, each resolution) by following the instructions on the voting form. If you appoint a proxy, the Company encourages you to consider directing your proxy how to vote.

If a body corporate is appointed a proxy, it must appoint a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the AGM – see corporate representatives on page 5.

Chairman as Proxy

If you appoint the Chairman of the AGM as your proxy (or the Chairman becomes your proxy by default) and you do not direct your proxy how to vote on a resolution, you will be authorising the Chairman to vote as he decides on the relevant resolution (even though the resolution may be connected with the remuneration of one or more members of the key management personnel (**KMP**)).

If you do not want the Chairman of the AGM to vote as your proxy in favour of any resolution, you need to direct your proxy to vote against, or to abstain from voting on, the resolution by marking the appropriate box on the proxy form.

Corporate representatives

A body corporate which is a shareholder, or which has been appointed as a proxy, may appoint an individual to act as its corporate representative at the meeting in accordance with section 250D of the Corporations Act. The appropriate appointment document must be produced prior to admission. A form of appointment may be obtained by contacting the Company's share registry on 1800 628 703 or by downloading the form from the following website:

https://www.linkmarketservices.com.au/corporate/forms/holding-management/App_Corp_Rep_140312.pdf

Timing and communication of proxy appointment

To be effective for the AGM, a proxy appointment (and any power of attorney or other authority under which it is signed or otherwise authenticated, or a certified copy of that authority) must be received at the address, email address or fax number set out below no later than 10.00am (AEDT) on Wednesday, 16 November 2022. Any proxy appointment received after that time will not be a valid appointment for the AGM.

By email	qualitas@linkmarketservices.com.au
By mail	C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235
By fax	+61 2 9287 0303

Enquiries to the share registrar can also be made by:

Telephone	1800 628 703
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For more information concerning the appointment of proxies and the ways in which proxy appointments may be submitted, please refer to the enclosed proxy form.

Undirected proxies

The Chairman of the AGM intends to vote, as your proxy, in favour of each resolution (where permissible).

Questions from shareholders

The Chairman of the AGM will allow a reasonable opportunity for shareholders and proxies attending the AGM to ask questions (in person or online) about and make comments on the management of the Company and on the financial report, the directors' report (including the remuneration report) and the auditor's report (collectively, **Reports**) as well as each of the resolutions to be considered at the AGM.

Luke Sullivan (or another representative) of the Company's auditors, KPMG, will attend the AGM. During the consideration of the Reports, the Chairman of the AGM will allow a reasonable opportunity for shareholders and proxies at the physical venue of the meeting or participating online to ask the auditors' representative questions relevant to the:

- conduct of the audit;
- preparation and content of the auditors' report for the financial year ended 30 June 2022;
- accounting policies adopted by the Company in relation to the preparation of the financial statements contained in the financial report for that year; and
- the independence of the auditors in relation to the conduct of the audit.

Shareholders may also submit a written question to the Company's auditors if the question is relevant to the content of the auditors' report or the conduct of the audit.

If you wish to submit a question in advance of the AGM, you may do so by sending your question to one of the places below by no later than 5.00pm (AEDT) on Friday 11 November 2022:

By email	qualitas@linkmarketservices.com.au
By mail	C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235

The Company and the auditors' representative will attempt to respond to as many of the more frequently asked questions as possible. Due however to the large number of questions that may be received, the Company and the auditors' representative may not be replying on an individual basis.

Voting exclusion statements

Adoption of remuneration report

A vote on the resolution to adopt the remuneration report must not be cast (in any capacity) by or on behalf of, and the Company will disregard any votes cast by or on behalf of, either of the following persons:

- (a) a member of the KMP in relation to the Company details of whose remuneration are included in the remuneration report; or
- (b) a closely related party of such a member.

However the person (**voter**) described in the previous paragraph may cast a vote on the resolution as a proxy if the vote is not cast on behalf of a person referred to in paragraph (a) or (b) above and either:

- (a) the voter is appointed as a proxy where the terms of the appointment specified the way the proxy is to vote on the resolution; or
- (b) the voter is the Chairman of the AGM and the appointment of the Chairman as proxy:
 - (i) does not specify the way the proxy is to vote on the resolution; and
 - (ii) expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company or its consolidated entity.

Other voting exclusion statements

The Company will disregard any votes cast in favour of the following resolutions:

- (a) Resolution 5 - approval of Long Term Incentive Loan Plan and allocation of loan shares to the Group Managing Director;
- (b) Resolution 6 - approval of the Qualitas Employee Equity Plan (**QEEP**); and
- (c) Resolution 7 - approval of ADIA placement,

by or on behalf of:

- (d) the named person or class of persons excluded from voting identified in the table below in relation to the relevant resolution (**Primary Excluded Person(s)**); or
- (e) an associate of that Primary Excluded Person or Persons.

The Company will also disregard any vote cast by a person as a proxy on the resolutions referred to in paragraphs (a) and (b) above if the person is a member of the KMP for the Company's consolidated entity or a closely related party of that person.

However, either voting restriction above does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chairman of the AGM as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company or its consolidated entity; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate or a person excluded from voting on the resolution; and

- (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution	Primary Excluded Person(s)
5. Approval of Long Term Incentive Loan Plan and allocation of loan shares to the Group Managing Director under the Loan Plan	Group Managing Director, Andrew Schwartz or his associates.
6. Approval of Qualitas Employee Equity Plan (QEEP)	Any person (including a Director) who is entitled to participate in the QEEP.
7. Approval of ADIA placement	Any person who participated in the placement or ADIA as a counterparty to the placement agreement.

Explanatory notes

These Explanatory notes form part of the Notice of Meeting. These Explanatory Notes include its Schedules.

1. Financial statements and reports

The *Corporations Act 2001* (Cth) (**Corporations Act**) requires the financial report (which includes the financial statements and directors' declaration), the directors' report and auditor's report to be laid before the annual general meeting.

There is no requirement for shareholders to vote on these reports. Accordingly, no formal resolution to adopt the reports will be put to the shareholders at the AGM.

However, shareholders will be given a reasonable opportunity at the meeting to ask questions and make comments on these reports and the management of the Company.

2. Adoption of the remuneration report

The Corporations Act requires that a resolution for the adoption of the remuneration report be put to the vote at the Company's AGM. Details in relation to the remuneration arrangements relevant to the Company's KMP are set out in the remuneration report on pages 8 to 16 of the 2022 Annual Financial Report, which may be accessed by visiting the following website: <https://investors.qualitas.com.au/investor-centre/>.

The vote on this resolution is advisory only and does not bind the directors or the Company. However, the board will take the outcome of this vote into consideration when considering the Company's future remuneration arrangements for its Directors and executives.

The remuneration report forms part of the directors' report which was made in accordance with a unanimous resolution of the directors of the Company.

Note that voting restrictions apply to this resolution, as described in the voting exclusion statements on pages 8 to 9.

The Board unanimously recommends that shareholders vote in favour of adoption of the remuneration report.

3. Election of directors

Background

As an ASX listed company, the Company must hold an election of directors each year: ASX Listing Rule 14.5. Under Listing Rule 14.4, a director must not hold office without re-election past the third Annual General Meeting following the director's appointment or three years, whichever is longer. In the case of a director appointed to fill a casual vacancy or addition to the board, they must stand for election at the next Annual General Meeting following their appointment.

Retirement

In accordance with the ASX Listing Rules and the Company's constitution, Andrew Fairley AM and JoAnne Stephenson retire from office and are seeking re-election. A separate resolution for their re-election is proposed for each.

Background to Andrew Fairley AM

Andrew Fairley AM is based in Melbourne and was appointed an independent non-executive director of the Company in November 2021.

He has been the Chair of the Board since November 2021 and is a member of Audit, Risk and Compliance Committee, the Investment Committee and the Nomination, Remuneration and Governance Committee.

Mr. Fairley AM was previously an independent Director of the Board of Qualitas Securities Pty Ltd, the trustee for the Qualitas Funds since July 2017.

Mr. Fairley AM has more than 40 years' experience as an equity and commercial lawyer, including in superannuation, trusts, estate and succession planning. He founded Australia's first specialist superannuation law firm, IFS Fairley, in 1993, having built a reputation as a leading practitioner in superannuation law and practice since 1980. He has been named by the Australian Financial Review as one of Australia's best superannuation lawyers each year from 2013. He has specialised as a legal advisor to trustees of industry, corporate and public sector superannuation funds.

Mr. Fairley AM founded and then Chaired the Law Council of Australia's Superannuation Committee for 10 years and maintains a close interest in the development of superannuation law and policy. He retired in June 2021, after more than 12 years in the role as the Chair of Equip Super, a \$30 billion industry superannuation fund.

He is an Industry Director of the Australian Financial Complaints Authority.

Previous roles have included Chair of Parks Victoria, Zoos Victoria and Deputy Chair of Tourism Australia. In addition, he is involved in the philanthropic sector as Chair of the Sir Andrew Fairley Foundation and is Deputy Chair of the Mornington Peninsula Foundation.

Mr. Fairley AM completed his law degree at Melbourne University and holds an Honorary Doctorate from Deakin University. He practises as a Consultant to Hall & Wilcox Lawyers in Melbourne.

The Board (with Mr. Fairley AM not voting) recommends that shareholders vote in favour of this resolution.

Background to JoAnne Stephenson

JoAnne Stephenson is based in Melbourne and was appointed an independent non-executive director of the Company in November 2021.

She has been the Chair of the Audit, Risk and Compliance Committee since November 2021 and is also a member of the Investment Committee.

Ms. Stephenson has extensive experience spanning over 25 years across a range of industries. She was previously a senior client partner in the Advisory division at KPMG and has key strengths in finance, accounting, risk management and governance. Ms. Stephenson is currently the Chair of Myer Holdings Ltd (appointed a Non-Executive Director in November 2016, acting Chairman from 29 October 2010 to 15 September 2021 and Chairman on 16 September 2021), and a Non-Executive Director of Challenger Limited (appointed 2012). She is also Chair of the Major Transport Infrastructure Board (Victoria). Ms. Stephenson was previously a Non-Executive Director of Asaleo Care Limited and Japara Healthcare Limited.

Ms. Stephenson holds a Bachelor of Commerce and Bachelor of Laws (Honours) from the University of Queensland and is a Member of Chartered Accountants Australia and New Zealand and the Australian Institute of Company Directors.

The Board (with Ms. Stephenson not voting) recommends that shareholders vote in favour of this resolution.

4. Appointment of Auditor

The Directors have appointed KPMG as the Company's auditor in accordance with section 327A of the Corporations Act.

The Corporations Act provides that an auditor appointed under that provision holds office until the first AGM. The auditor must be re-appointed at the first AGM in accordance with section 327B of the Corporations Act to continue to act as the Company's auditor.

In accordance with the requirements of the Corporations Act, a shareholder of the Company has provided the Company with written notice nominating KPMG as the auditor of the Company, and KPMG has consented to act as the Company's auditor. A copy of the nomination is attached to this Explanatory Note as Schedule 3.

The directors unanimously recommend the appointment of KPMG as the Company's auditor.

5. Approval of Long-Term Incentive Loan Plan and allocation of loan shares to the Group Managing Director

5.1 Introduction

The Board is seeking approval of Shareholders of the Company's Long Term Incentive Loan Plan (**Loan Plan**) for the purposes of sections 259B(2) and 260C(4) of the Corporations Act and the definition of 'employee share buy-back' in section 9 of that Act and of the allocation of loan shares to the Group Managing Director, Mr. Andrew Schwartz, under the Loan Plan for the purposes of ASX Listing Rule 10.14.

No director of the Company other than Mr. Schwartz or any associate of any such other Director is eligible to participate in the Long Term Incentive Loan Plan.

5.2 Why shareholder approval is being sought

A company (such as the Company or a subsidiary) is prohibited by section 259A of the Corporations Act from acquiring its own shares or shares in an entity that controls it or any right or interest in such shares. This prohibition is extended by section 259B(1) of the Corporations Act to a company taking security over its own shares or in shares in an entity that controls it.

Section 259B(2) of the Corporations Act provides an exception to this prohibition so as to permit the Company to take security over its own shares under an 'employee share scheme' that has been approved by a resolution of the Company's shareholders. The Loan Plan is an employee share scheme within the definition of that term in section 1100L of the Corporations Act. Resolution 5 is proposed for the purpose of qualifying the Loan Plan for the exemption in section 259B(2). It will have the effect that the Company will be permitted to take security over Loan Shares that are provided under the Loan Plan.

In providing for the Company to make a loan to participants in the Loan Plan, the Loan Plan involves the Company financially assisting the acquisition of its own shares. Section 260A of the Corporations Act sets out the only circumstances in which the Company may assist a person to acquire shares or units of shares in the Company or its holding company. Any financial assistance that falls outside those circumstances is prohibited. Under section 260C(4) of the Corporations Act, one of the permitted circumstances is the giving of financial assistance under an employee share scheme that has been approved by resolution passed at a general meeting of the Company. Resolution 5 is also proposed for the purpose of qualifying any financial assistance provided by the Company by way of loan under the Loan Plan for the exemption in section 260C(4) from the prohibition in section 260A of the Corporations Act.

The Loan Plan includes provisions that allow in certain circumstances Loan Shares to be bought back by the Company – see Schedule 1 for a summary of the key terms of the Loan Plan. Under Division 2 of Part 2J.1 of the Corporations Act, separate shareholder approval is not required for a share buy-back that constitutes an 'employee share buy-back' as defined in section 9 of the Corporations Act that is within the 10/12 limit.

An employee share buy-back is defined as a buy-back under a scheme that:

- (a) has as its purpose the acquisition of shares in a company by, or on behalf of:
 - (i) employees of the company, or of a related body corporate; or
 - (ii) directors of the company, or a related body corporate, who hold a salaried employment or office in the company or in a related body corporate; and
- (b) has been approved by the company in general meeting.

The Loan Plan qualifies as such a scheme. Accordingly Resolution 5 is proposed for the purpose of the definition of employee share buy-back so as to permit the Company to buy-back Loan Shares provided under the Loan Plan without the need for separate shareholder approval at the time of the buy-back as long as the buy-back is within the 10/12 limit.

The 10/12 limit in relation to the Company is defined as 10% of the smallest number, at any time during the last 12 months before the buy-back, of votes attaching to voting shares in the Company.

No employee share buy-back is currently proposed in relation to Loan Shares. However the passing of Resolution 5 will provide the Company with the flexibility to effect such a buy-back should that be expedient at some future time, without shareholder approval being required at that time as long as the buy-back is within the 10/12 limit.

ASX Listing Rule 10.14 requires Shareholder approval for a director of a listed company to acquire equity securities under an employee incentive scheme. Accordingly, Resolution 5 seeks approval from Shareholders under ASX Listing Rule 10.14 for the acquisition of Loan Shares by Mr. Schwartz under the Loan Plan, as Mr. Schwartz is a Director of the Company. This is the first time Shareholder approval has been sought for the acquisition of equity securities by Mr. Schwartz since the Company was listed on the ASX, and subject to the ASX Listing Rules. As noted above, the only director entitled to participate in the Loan Plan is Mr. Schwartz.

The Board has determined that the Loan Shares and loan under the Loan Plan are reasonable remuneration for the purposes of Chapter 2E of the Corporations Act, which deals with the provision of financial benefits to related parties. Shareholder approval of the Loan Plan, the provision of the loan and the delivery of Loan Shares is not being sought for the purposes of Chapter 2E of the Corporations Act, in reliance on the reasonable remuneration exception to the requirement for such approval.

5.3 Proposed award of Loan Shares

The Company proposes to grant Loan Shares to Mr. Schwartz, Group Managing Director, as a long-term incentive (LTI) under the new Loan Plan. The LTI opportunity for the Group Managing Director is \$1,500,000. Since the loan will need to be repaid under the terms of the grant, the arrangement will be valued (by an independent valuer) to determine the size of the loan being provided. The loan will then be used to acquire shares for their market value determined at the time of grant. The value of the Loan Shares will be determined by an independent valuer disregarding any performance conditions. The key terms of the Loan Plan are summarised in Schedule 1.

Shortly prior to the lodgement of this Notice of Annual General Meeting, an independent valuer was engaged to provide an indicative valuation of a Loan Share. This indicative valuation valued one Loan Share at 30.60% of the market value of one fully paid ordinary share in the Company, disregarding any discounts to account for the impact of performance conditions. Were this to be the final valuation, the value of the loan being provided would be \$4,907,283. An updated valuation will be completed shortly following the Meeting. This valuation will be used to determine the value of the loan, and the maximum number of Shares that are to be acquired.

The Company may satisfy its obligation to deliver Loan Shares to Mr. Schwartz under the Loan Plan by issuing new Shares or acquiring the Shares on-market, or a combination, as it determines in its discretion. While the Company has not yet made any decision to issue Shares or acquire Shares on-market to satisfy the proposed delivery of Loan Shares to Mr. Schwartz, Shareholder approval under ASX Listing Rule 10.14 is being sought to provide the Company with the flexibility to issue new Shares if it determines it is appropriate to do so and as a matter of good governance.

The Group Managing Director's LTI arrangement differs to the arrangements for the other executives, as the Group Managing Director is a substantial Shareholder of the Company, and as a result, unlike other executives, would not be able to participate in the FY23 Executive LTI Plan without significant adverse detriment as any equity under the Executive LTI Plan would be taxed at grant for the Group Managing Director.

5.4 What will happen if the resolution is, or is not, passed?

The grant of Loan Shares under the Loan Plan requires Shareholder approval by the passing of Resolution 5. Where Shareholder approval is obtained, a maximum number, calculated as described above, of Loan Shares will be granted to Mr. Schwartz under the Loan Plan within 12 months of the Meeting. Once Shareholder approval is obtained under ASX Listing Rule 10.14, the issue of Loan Shares under the Loan Plan to Mr. Schwartz will not count towards the Company's capacity to issue equity securities under ASX Listing Rule 7.1.

If Shareholders do not approve the proposed grant of Loan Shares to Mr. Schwartz, the proposed grant of Loan Shares will not proceed. In that circumstance, the Board would then need to consider alternative remuneration arrangements for Mr. Schwartz which are consistent with the Company's remuneration principles, including providing an equivalent cash payment subject to the risk of forfeiture, performance conditions and performance period.

5.5 Details of the proposed grant

The Loan Plan allows eligible employees to acquire Shares in the Company at market value at the date of grant. The acquisition price of the Shares is fully funded by a limited recourse loan provided by the Company (or its subsidiary). Details of the terms of the Loan Plan including the terms of the loan can be found in Schedule 1.

The Loan Shares are proposed to be granted to Mr Schwartz as part of his long-term remuneration under the Loan Plan. Loan Shares are fully paid ordinary shares in the Company.

(a) Performance conditions and performance period

The Loan Shares granted to Mr. Schwartz will vest depending on whether a mix of financial and non-financial measures are met over a three-year performance period from 1 July 2022 to 30 June 2025. Of the total number of Loan Shares proposed to be granted to Mr. Schwartz:

- **37.5%** will be subject to targets set in relation to the compound annual growth rate (**CAGR**) of the Company's earnings per share (**EPS**) over the performance period.
- **37.5%** will be subject to a relative total shareholder return (**rTSR**) measure, assessing the Company's performance over the performance period relative the constituents of the S&P/ASX300 A-REIT index.
- **12.5%** will be subject to Leadership, Culture, and ESG Milestone measures.
- **12.5%** will be subject to Capital & Governance measures.

The Board views the above measures as an appropriate balance of financial and non-financial performance measures.

The number of Loan Shares that vest will depend on the level of performance achieved.

The Board retains overall discretion to determine whether vesting of Loan Shares is appropriate.

(b) EPS CAGR vesting schedule (37.5% of total number of Loan Shares)

EPS CAGR measures the growth in profit generated by the Company attributable to each Share on issue.

For the purposes of assessing performance against the EPS target, the Board will consider whether any adjustments to statutory earnings are appropriate on a case-by-case basis to ensure that inappropriate outcomes are avoided.

The percentage of the EPS CAGR component of Loan Shares that vest, if any, will be determined by the Board in accordance with the vesting schedule below. For any of the EPS CAGR component to vest, threshold EPS must be achieved, and full vesting will only occur if stretch EPS is achieved. The Company will disclose EPS targets on a retrospective basis given it is commercially sensitive information.

EPS CAGR over performance period	% of EPS CAGR component that vests
Below threshold EPS	Nil
At threshold EPS	50%
Between threshold and stretch EPS	Straight line pro rata vesting between 50% and 100%
At or above stretch EPS	100%

(c) *rTSR vesting schedule (37.5% of total number of Loan Shares)*

Total Shareholder Return (TSR) calculates the return Shareholders would earn if they held a notional number of Shares over a period of time, and measures the change in the Company's Share price together with the value of dividends during the period, assuming that those dividends are re-invested into new Shares.

The percentage of the rTSR component of Loan Shares that vest, if any, will be determined by the Board as follows:

Relative Total Shareholder Return Percentile Ranking, against comparator group comprising constituents in the S&P/ASX300 A-REIT index as at commencement of the performance period	% of rTSR component that vests
Less than 50 th percentile of comparator group	Nil
At 50 th percentile of comparator group	50%
Between 50 th percentile and 75 th percentile of comparator group	Straight line pro rata vesting between 50% and 100%
At or above 75 th percentile of comparator group	100%

(d) *Leadership, ESG & Culture Measures (12.5% of total number of Loan Shares)*

This component of the LTI is subject to the Board's assessment of performance against three critical areas; Leadership, Culture and ESG, over the performance period. Each of these categories is weighted equally. Below is a description of inputs which will be used by the Board in order to determine the percentage of Loan Shares that vest. As Qualitas grows, broader measurement tools may become available. Such measures can be considered by the Board in making its assessment.

Component:	Key inputs in assessing performance will include:
Leadership	360 degree feedback, alignment of vision across the executive team and the Board.
ESG	Performance against diversity targets, Reconciliation Action Plan delivery.
Culture	Engagement scores relative to industry benchmark.

(e) Capital & Governance Measures (12.5% of total number of Loan Shares)

This component of the LTI is subject to the Board's assessment of performance against capital and governance measures over the performance period. Each of these categories is weighted equally. Below is a description of inputs which will be used by the Board in order to determine the percentage of Loan Shares that vest. As Qualitas grows, broader measurement tools may become available. Such measures can be considered by the Board in making its assessment.

Component:	Key inputs in assessing performance will include:
Strategy	Execution of agreed strategic initiatives on time and on budget, with desired impact.
Risk	Personal and corporate compliance record.
Capital	No loss of Capital for the Company.

Subject to the terms of the Loan Plan, any Loan Shares that do not vest at the end of the performance period will be forfeited and surrendered in repayment of the portion of the loan to which they relate.

(f) Cessation of employment

Unless the Board determines otherwise, if Mr. Schwartz's employment with the Group is terminated during the performance period as a 'good leaver' (i.e. as a result of death, terminal illness, total and permanent disablement, genuine redundancy, retirement or any other reason as determined by the Board), he will be entitled to retain all unvested Loan Shares subject to the Loan Plan rules, and terms and conditions of his invitation. To the extent that Mr. Schwartz retains any unvested Loan Shares, Mr. Schwartz must repay the outstanding Loan balance within 6 months from the date of vesting.

If Mr. Schwartz's employment with the Group is terminated during the performance period in circumstances where he is not considered a good leaver (e.g. resignation or termination of employment initiated by him or the relevant Group Company other than where such termination is as a good leaver), his unvested Loan Shares will be forfeited on termination and surrendered in full satisfaction of the loan, unless the Board determines otherwise.

Regardless of whether or not Mr. Schwartz is a 'good leaver', he may retain vested Loan Shares and may deal with any vested Loan Shares subject to repaying the outstanding Loan balance by the earlier of its expiry date or the date which is 6 months following the cessation date, subject to the rules of the Loan Plan.

(g) Other terms of grant

In addition to the terms outlined above, the grant of Loan Shares to Mr. Schwartz will be subject to the terms of the Loan Plan, the key terms of which are summarised in the Explanatory Notes to Resolution 5 and in Schedule 1.

5.6 Additional information

The following additional information is provided for the purposes of ASX Listing Rule 10.15:

- Mr. Schwartz's current total remuneration package is comprised of the following:

Remuneration element	Quantum
Total fixed remuneration (inclusive of superannuation)	\$1,000,000
Short-term incentive (maximum opportunity)	Nil
Long-term incentive, under LTI Loan Plan (maximum opportunity)	\$1,500,000

- In addition to the above, Mr. Schwartz has a significant value of legacy Fund Participation Rights on foot. See page 13 of the Company's 2022 Full Year Financial Report (<https://investors.qualitas.com.au/DownloadFile.axd?file=/Report/ComNews/20220818/02554616.pdf>) for further detail.
- No shares or other securities have previously been issued to Mr. Schwartz under the Loan Plan.
- As noted above, the Company will provide an interest-free limited recourse loan to Mr. Schwartz equal to the full market value of the Loan Shares to be acquired under the grant in accordance with the terms of the Loan Plan. The key terms of the loan are outlined in Schedule 1. Directors have determined that the Loan Shares and the Loan are reasonable remuneration for the purposes of Chapter 2E of the Corporations Act 2001.
- Loan Shares will be allocated for market value consideration as soon as practical following the 2022 AGM.
- Details of any securities issued under the Loan Plan will be published in the Company's Remuneration Report (as part of the directors' report included in the Annual Report) relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.
- Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of shares under the Loan Plan after Resolution 7 is approved and who are not named in this Notice of Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

As outlined in Schedule 1, under the terms of the Loan Plan, if in certain circumstances a change of control event occurs where the Company disposes of the whole (or a substantial part) of its business or property to another entity, Mr. Schwartz may be entitled to have his Loan Shares under the Loan Plan vest earlier than would have been the case had the change of control not occurred.

5.7 Recommendation

Each of the Directors (other than Mr. Schwartz who declines to make a recommendation based on his interest in the outcome of Resolution 5) recommends that Shareholders vote in favour of Resolution 5.

6. Approval of Qualitas Employee Equity Plan

6.1 Introduction

The Company considers that it is desirable to adopt an employee incentive scheme pursuant to which the Company can issue options, rights or shares (**Awards**) to attract, motivate and retain key directors, and senior executives and employees and provide them with the opportunity to participate in the future growth of the Company.

Under the Qualitas Employee Equity Plan (**QEEP**), the Board may offer to eligible persons such number of Awards in the Company as the Board may decide and, on the terms, set out in the rules of the QEEP, a summary of the key terms and conditions of which is set out in Schedule 2.

6.2 Why shareholder approval is being sought

Resolution 6 seeks Shareholder approval for the adoption of the QEEP in accordance with Listing Rule 7.2, Exception 13(b).

In addition, as the QEEP provides for Awards, including shares, to be bought back, shareholder approval is also proposed of the QEEP so that share buy-backs under the QEEP will constitute an employee share buy-back and not require subsequent shareholder approval as long as the buy-back is within the 10/12 limit.

(a) Listing Rules 7.1 and 7.2, Exception 13(b)

In broad terms, ASX Listing Rule 7.1 limits the ability of a listed entity from issuing or agreeing to issue equity securities over a 12 month period which exceeds 15% of the number of fully paid ordinary Shares it had on issue at the start of the 12 month period.

Listing Rule 7.2, Exception 13(b), provides an exception to Listing Rule 7.1 such that issues of equity securities under an employee incentive scheme are exempt for a period of three years from the date on which Shareholders approve the issue of securities under the scheme as an exception to Listing Rule 7.1.

Listing Rule 7.2, Exception 13(b), ceases to be available to the Company if there is a material change to the terms of the QEEP from those set out in this Notice of Meeting in Schedule 2.

If Resolution 6 is passed, the Company will be able to issue Awards under the QEEP pursuant to Listing Rule 7.2, Exception 13(b), to eligible participants over a period of three years up to a nominated maximum amount without using the Company's 15% annual placement capacity under Listing Rule 7.1.

However, any future issues of Awards under the QEEP to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under Listing Rule 10.14 at the relevant time.

6.3 What will happen if the resolution is not passed?

If Resolution 6 is not passed, future issues of Awards under the QEEP may still be made but must be counted towards the 15% limit on the Company's capacity to issue new securities without Shareholder approval under ASX Listing Rule 7.1. Alternatively, the Board may consider alternative remuneration arrangements which are consistent with the Company's remuneration principles.

6.4 Additional information

Pursuant to and in accordance with Listing Rule 7.2, Exception 13(b), the following information is provided in relation to the QEEP:

- (a) A summary of the material terms of the QEEP is set out in Schedule 2.
- (b) This is the first time the Company is seeking Shareholder approval of the QEEP. Since the Company was listed on ASX, 1,229,368 Awards (comprising performance rights) have been issued under the QEEP and 122,086 Awards (also comprising performance rights) have lapsed or been cancelled as at the date of this Notice, leaving a total of 1,107,282 performance rights outstanding. No other type of Award other than performance rights have been issued under the QEEP since the Company was listed.
- (c) The maximum number of Awards proposed to be issued under the QEEP pursuant to Listing Rule 7.2, Exception 13(b), within the 3-year period following approval of Resolution 6 is 14,700,000 (subject to adjustment in the event of a reorganisation of capital and further subject to applicable laws and the ASX Listing Rules). The maximum number is not intended to be a prediction of the actual number of Equity Securities to be issued under the QEEP, simply a ceiling for the purposes of ASX Listing Rule 7.2, Exception 13(b).

(d) A voting exclusion statement is included in this Notice of Meeting at pages 8 to 9.

7. Approval of ADIA placement

7.1 Background to the ADIA placement

On 1 August 2022, the Company announced to ASX that it had secured commitments from a wholly owned subsidiary of the Abu Dhabi Investment Authority (**ADIA**) for a mandate to invest A\$700 million on behalf of a new fully discretionary investment vehicle. The mandate will be carried out through the newly created Qualitas Diversified Credit Investments (**QDCI**), which will have a wide investment scope with a focus on the growing Australian commercial real estate (**CRE**) private credit market and senior credit strategies.

The mandate with ADIA increased the Company's total committed funds under management (**FUM**) at that time to approximately A\$5 billion focused on CRE credit (totalling at that time 74% of total FUM) and equity (totalling at that time 26% of FUM) opportunities. The mandate increased the proportion of the Company's total FUM invested on behalf of local and international institutional investors at that time to approximately 73%, with the balance comprising retail and high net worth investors. The Company is co-investing 5% or A\$35 million in the QDCI. The QDCI is not open to any investors other than ADIA and to the extent of the Company's co-investment.

In addition to its investment in QDCI under a separate agreement, ADIA subscribed for options to acquire new ordinary shares in the Company, equating to 9.99% of the Company's then current issued equity on a fully diluted basis, conditional on ADIA committing further incremental investment mandates totalling A\$1 billion.

The capital raised will continue to strengthen the Company's balance sheet, providing additional capacity for the Company to warehouse fund investment opportunities and co-invest with fund investors in line with growth in underlying funds under management.

7.2 Why shareholder approval is being sought

Generally, under Listing Rule 7.1, a company may, in any 12 month period, issue without the prior approval of shareholders, new securities which exchange into shares of up to 15% of the number of shares on issue 12 months before the date of the issue of the new securities.

Listing Rule 7.4 provides that an issue by a company of securities made without shareholder approval under ASX Listing Rule 7.1 is treated as having been made with that approval if the issue did not breach ASX Listing Rule 7.1 when it was made and the company's shareholders subsequently approve it.

32,630,374 options (**Securities**) were issued to ADIA on 1 August 2022 following ADIA's subscription for the options.

The issue of these Securities did not breach ASX Listing Rule 7.1 and has not previously been approved by shareholders. The Company now seeks shareholder approval for the issue of the Securities pursuant to ASX Listing Rule 7.4. The Securities would have, when issued, exchanged into approximately 9.99% of the Company's ordinary shares, if they were exchanged for ordinary shares on the basis of the rate set by the terms, being the volume weighted average price (**VWAP**) (per share) of shares issued since the initial public offering (**IPO**) of the Company. This price is agreed to be A\$2.50 subject to future issuances of Company shares.

The effect of passing this Resolution will be to refresh the Company's 15% capacity under ASX Listing Rule 7.1 so that its capacity would be the same as if the Securities had not been issued. This resolution, if passed, will increase the Company's financial flexibility in the future. Currently the Company does not intend to undertake any further issue of securities in the event that approval is received from shareholders in respect of the Resolution. The Board will only decide to issue further equity securities if it considers it is in the best interests of the Company to do so.

7.3 What will happen if the Resolution is not passed?

If the Resolution is not passed by shareholders, the Company would, when calculating the number of securities it can issue without shareholder approval in the period of 12 months commencing on

the date of issue of the options on 1 August 2022 to go beyond the 15% limit, need to deduct the number of ordinary shares into which the Securities would exchange. This will impose a corresponding restriction on the Company's capacity to issue equity securities in that 12 month period.

7.4 Additional information

The following additional information is provided in connection with the approval sought under the Resolution, being the material terms of the options subscription agreement:

- (a) The number of options issued - A total of 32,630,374 options were issued (treated as exchangeable into 32,630,374 ordinary shares in the Company).
- (b) The price at which the securities were issued - Each option has a face value and issue price of \$0.03065.
- (c) A summary of the material terms of the options is as follows:
 - (i) Size: Issue of options representing up to 32,630,374 new ordinary shares in the Company, or 9.99% of currently issued equity, fully diluted.
 - (ii) Strike Price: The VWAP (per share) of shares issued since the IPO of the Company. This price is agreed to be A\$2.50 subject to future issuances of Company shares.
 - (iii) Expiry Date: Two years (1 August 2024), extendable by a further 6 months where the allocation of ADIA's capital under the mandate does not exceed A\$560 million by the date that is 18 months after the issue date of the options.
 - (iv) Conditions:

The options are exercisable in tranches upon the occurrence of the following conditions:

 - (I) Options for the issue of 22,841,263 ordinary shares in the Company (Initial Tranche) - financial close has occurred in respect of Qualifying Mandates of at least A\$700 million in incremental commitments (in addition to a A\$700 million commitment in QDCI); and
 - (II) Option for the issue of 3 additional tranches across 3,263,037 ordinary shares in the Company (Additional Tranches) - 3,263,037 of additional ordinary shares for every whole A\$100 million of additional commitments under Qualifying Mandates reaching financial close, up to an additional 9,789,111 ordinary shares in total (in addition to the A\$700 million commitment in QDCI and the A\$700 million of incremental commitments in (I) above).
 - (ii) Material exercise terms / other: Options may not be assigned or transferred without the consent of the Company except to a related entity of ADIA.

The options do not carry a right to vote at general meetings of the Company nor do they confer any entitlements to dividends.
- (d) The names of the allottees or the basis on which the allottees were determined - The Securities were issued to ADIA.
- (e) A voting exclusion statement is included in the Notice of Meeting.

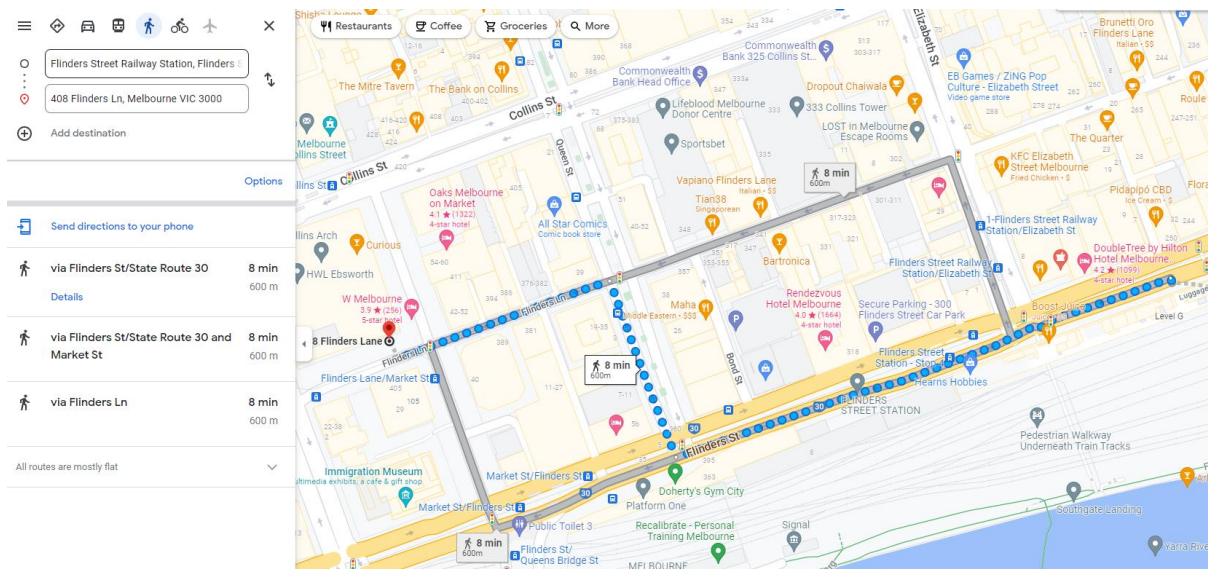
Further information

Please visit the AGM page on our website www.qualitas.com.au to obtain further information on the meeting. You can also comment on issues you would like discussed at the annual general meeting.

The map below showing the venue for the Meeting and its nearest transport routes is an example of the information you will find at the site.

<p>Will you be attending?</p> <p>To assist our planning, please let us know whether you will be attending the meeting either in person or virtually by contacting us at:</p> <p>Email: Investor.Relations@qualitas.com.au or</p> <p>Telephone: 0401 531 781</p>	<p>By Car</p> <p>There are around 2 car parking options within 5 minutes walk to the venue, at 522 Flinders Lane and 425 Collins Street.</p> <p>By Train</p> <p>Disembark at Flinders Street Station and approximately 8 mins walk.</p> <p>By Tram</p> <p>Tram stop William St/Collins St (11, 12, 48, 109)</p>
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By train from Flinders Street Station to W Melbourne Hotel:



Schedule 1 – Key terms of the Long Term Incentive Loan Plan

Set out below is a summary of the key terms of the Long Term Incentive Loan Plan, for which Shareholder approval is sought under Resolution 5.

Term	Description
Eligibility	The Board has the discretion to determine which employees are eligible to participate in the Loan Plan, and the number of Loan Shares that they will be offered. The definition of an Eligible Person under the Loan Plan includes any director, full-time or part-time employee or executive of a Group Company or any other person who the Board determines is eligible to participate in the Loan Plan.
Class of shares	Shares granted under the Plan will be fully paid ordinary shares in the Company and rank equally with existing shares.
Acquisition price	Loan Shares will be allocated for market value consideration as soon as practical following the 2022 AGM, unless otherwise determined by the Board (Market Value). A loan will be provided by the Company (or its subsidiary) to the participant to fund the acquisition price of the Loan Shares. The value of the loan will be equal to the aggregate Market Value of the Loan Shares. The key terms of the loan are outlined below.
Vesting conditions	Loan Shares granted under the Loan Plan which have not been forfeited under the Loan Plan will vest if and when any applicable Vesting Conditions have been satisfied or waived by the Board. Unless otherwise specified in an invitation, on vesting, Shares will cease to be subject to disposal restrictions. However, any proceeds of disposal will be required to be applied to repay any outstanding loan balance.
Loan terms	Loans provided to participants will be: <ul style="list-style-type: none"> • interest-free; • limited in recourse (i.e. a participant's outstanding loan balance will be limited to the value of their Loan Shares); and • repayable on the earliest of: <ul style="list-style-type: none"> ○ the date Loan Shares are forfeited under the Loan Plan; ○ the date the Loan Shares are sold; ○ the expiry of the loan; and ○ any other date agreed between the Company and the participant. Where performance conditions are not met, or a portion of Loan Shares do not vest for any other reason, the Loan Shares will be forfeited and surrendered in satisfaction of the corresponding portion of the loan.
Expiry of loan	3.5 years from the grant date (i.e. 3 year performance period and an additional 6 months to repay loan).
Repayment of loan	<ul style="list-style-type: none"> • Any after-tax dividends received prior to full repayment of the loan will be applied to the outstanding loan balance. • Any sales after-tax proceeds from the disposal of vested shares will be applied to the outstanding loan. • Where the loan balance is not repaid at the expiry of the loan (i.e. 3.5 years), the Company will sell some or all of the participant's shares to satisfy the outstanding loan balance. • Participants may also self-fund the repayment of the outstanding loan balance.

Dividend and voting rights	Loan Shares will rank equally in all respects with all entitlements for other Shares (including dividend and voting rights), subject to the requirement to apply after-tax dividends to repay the loan.
Quotation	The Company will apply for official quotation of any Shares issued under the Loan Plan, in accordance with the ASX Listing Rules.
Forfeiture	<p>Unless otherwise determined by the Board, Loan Shares will be forfeited in certain circumstances, including:</p> <ul style="list-style-type: none"> • if the participant breaches any term of loan; • if the participant purports to dispose of the Loan Shares in breach of the Loan Plan; • in certain circumstances if the participant ceases employment; • if the Board determines that the Loan Shares are liable to clawback; • if the Loan Shares are forfeited on a change of control; or • if the Board determines that any of the Vesting Conditions applicable to the Loan Shares have not been or cannot be satisfied. <p>Forfeited Loan shares may be bought-back or reallocated to eligible employees, as the Board determines.</p>
Cessation of employment	<p>Unless the Board determines otherwise, if a participant's employment with the Group is terminated during the performance period as a 'good leaver' (i.e. as a result of death, terminal illness, total and permanent disablement, genuine redundancy, retirement or any other reason as determined by the Board), they will be entitled to retain all unvested Loan Shares subject to the Loan Plan rules, and terms and conditions of their invitation. To the extent that they retain any unvested Loan Shares, they must repay the outstanding Loan balance within 6 months from the date of vesting.</p> <p>If a participant's employment with the Group is terminated during the performance period in circumstances where they are not considered a good leaver (e.g. resignation or termination of employment initiated by them or the relevant Group Company other than where such termination is as a good leaver), their unvested Loan Shares will be forfeited on termination and surrendered in full satisfaction of the loan, unless the Board determines otherwise.</p>
Change of Control	<p>Unless the Board determines otherwise, if a Change of Control Event occurs with respect to the Company, the Board may determine, in its discretion, the manner in which all Unvested Loan Shares will be dealt with. This may include determining that some or all of the Loan Shares will vest, lapse or remain on foot and/or that all or a portion of the Loan becomes immediately repayable.</p> <p>Where the Board does not exercise its discretion and a Change of Control Event occurs, unless the Board determines otherwise:</p> <ul style="list-style-type: none"> • any Unvested Loan Shares will vest on a pro-rata basis to time, based on the proportion of the relevant Vesting Period that has elapsed at the time of the Change of Control Event; and • any Loan Shares which are subject to any disposal restrictions at the time of the Change of Control Event, will no longer be subject to such disposal restrictions. <p>Unless otherwise determined by the Board, any Unvested Loan Shares will be immediately forfeited on a Change of Control Event.</p> <p>Where some or all Unvested Loan Shares vest on a Change of Control Event:</p>

	<ul style="list-style-type: none"> • the Loan will be immediately repayable; and • provided the terms of the Loan are complied with and subject to the Company's Trading Policy and any applicable laws, the participant may dispose of Vested Loan Shares.
Malus and clawback provisions	If the Board becomes aware of a material misstatement in the Company's financial statements, that a participant has committed an act of fraud, dishonesty, serious misconduct or gross negligence or a material misstatement or omission in the Company's financial statements or that some other event has occurred which, as a result, means that a participant's Loan Shares should be reduced or extinguished, or should not vest, then the Board may clawback or adjust any such award at its discretion to ensure no unfair benefit is derived by the participant.
Trading restrictions	A disposal restriction on the Loan Shares applies until they vest at the end of the performance period. Following vesting, a participant will be able to dispose of his or her Shares (subject to compliance with the Company's securities trading policy and applicable law) but must apply any after-tax proceeds to repay any outstanding loan balance.

Schedule 2 – Key terms of the Qualitas Employee Equity Plan (QEEP)

Set out below is a summary of the key terms of the QEEP, for which Shareholder approval is sought under Resolution 6.

Term	Description
Eligibility	<p>The Board has the discretion to determine which employees are eligible to participate in the QEEP, and the number and type of Awards that they will be offered (“Eligible Employee”). The definition of employee under the QEEP rules includes any director and/or non-executive director of the Group, or a contractor or prospective employee of the Group, or other person the Board in its discretion determines to be eligible to participate in the QEEP.</p>
Awards	<p>The QEEP provides flexibility for the Company to grant options to acquire Shares, options rights to acquire Shares and/or Shares as incentives (“Awards”). The Board has the discretion to set the terms and conditions on which it will offer Awards under the QEEP.</p> <p>The Board may determine that the Awards will be subject to performance, service, or other conditions which must be satisfied or waived before the Award vests (“Vesting Conditions”) and, if so, will specify those Vesting Conditions in the invitation to each Eligible Employee.</p> <p>In addition, the Board may determine that Awards in the form of options or rights will be subject to further conditions which must be satisfied or waived before vested options or rights may be exercised (“Exercise Conditions”).</p> <p>The Board may, at its discretion, vary, reduce or waive any Vesting Conditions and/or Exercise Conditions attaching to Awards at any time, subject to applicable law.</p>
Acquisition price	<p>The grant of Awards under the QEEP may be subject to the payment of an acquisition price by the participant as determined by the Board, or otherwise Awards may be granted at no cost to the participant.</p>
Exercise price	<p>The exercise of Awards in the form of options or rights may be subject to payment of an exercise price by the participant as determined by the Board, or otherwise may be exercised at no cost to the participant.</p>
Shares as an Award or on vesting of an Award	<p>Shares granted under the QEEP or issued or transferred on the exercise of options or rights will rank equally in all respects, and carry the same rights and entitlements, as other issued Shares, including dividend and voting rights.</p> <p>Depending on the terms of an Award, Shares may be subject to disposal restrictions, which means that they may not be disposed of or dealt with for a period of time.</p>
Vesting of Shares	<p>Shares granted under the QEEP which have not been forfeited under the QEEP will vest if and when any applicable Vesting Conditions have been satisfied or waived by the Board.</p> <p>Unless otherwise specified in an invitation, on vesting, Shares will cease to be subject to disposal restrictions and the forfeiture provisions of the QEEP. Alternatively, the Board may determine to make a cash payment in lieu of the release of Shares from restriction (in which case, the Company will buy-back</p>

	and cancel the Shares or deal with the Shares in any other manner determined by the Board).
Vesting and exercise of options and rights	<p>Options and rights which have not lapsed under the QEEP will vest if and when any applicable Vesting Conditions have been satisfied or waived by the Board. However, vested options or rights will not become exercisable until any applicable Exercise Conditions have been satisfied or waived by the Board.</p> <p>Following the valid exercise of an option or right, the Company will issue or arrange the transfer of such number of Shares to the participant that relate to the option or right being exercised. Alternatively, the Board may determine to make a cash payment in lieu of the issue or transfer of Shares.</p>
Expiry of options and rights	Options or rights which have not been exercised by the date 15 years from the date of grant of the options or rights, or such other date determined by the Board and specified in the invitation ("Expiry Date"), will lapse unless the Board determines otherwise.
Forfeiture/lapse of Awards	<p>Unless otherwise determined by the Board, a Share granted under the QEEP will be forfeited, and an option or right will lapse, in certain circumstances including:</p> <ul style="list-style-type: none"> • where the Board determines that any Vesting or Exercise Condition applicable to the Award cannot be satisfied; • in the case of an option or right, on the Expiry Date applicable to the option or right; • in certain circumstances if the participant's employment is terminated (see 'Cessation of employment' below); • if the Board determines that the Award is liable to clawback (see 'Clawback and malus' below) • if the Board determines that the Award will be forfeited or lapse in the event of a change of control in respect of the Company; • where the participant purports to dispose of the Award, or enter into any arrangement in respect of the Award, in breach of any disposal or hedging restrictions; and • where the participant elects to surrender the Award.
Dividend and voting entitlements	Awards, other than Shares, are not entitled to dividend or voting rights. However, the Board may determine prior to making an invitation that any options or rights the subject of the offer will carry rights entitling the holder to receive a payment in cash or Shares equivalent to the value of dividends that would have been payable to the holder had they been the holder of the underlying Shares over which the option or right is exercisable.
Participation rights of options and rights	<p>Options and rights do not confer the right to participate in new issues of Shares or other securities in the Company.</p> <p>However, subject to the ASX Listing Rules, the QEEP provides for adjustments to be made to the number of Shares which a participant would be entitled on the exercise of options or rights or the exercise price (if any) of the options or rights in the event of a bonus issue or pro-rata issue to existing holders of</p>

	Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) or a reorganisation of capital.
Restrictions	<p>The Board may determine that an invitation specify if Shares, or options or rights to shares, be subject to Dealing restrictions.</p> <p>"Dealing" means, in relation to an Award, a sale, transfer, gift or other disposal, or entry into a Derivative in relation to the Award, or the grant or disposal of an option to dispose of the Award, or the use of the Award as security or the grant of any encumbrance over the Award, or the engagement in any other transaction involving a beneficial interest or a change in the legal or beneficial ownership of the Award, or the entry into any agreement to do any of the above things.</p>
Quotation	Awards, except Shares, will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the QEEP, in accordance with the ASX Listing Rules.
Cessation of employment	The Board has discretion to determine, subject to compliance with applicable law, the treatment of an Award if a Participant ceases to be employed by a Group Company prior to the vesting or exercise of an Award, or an Award ceasing to be subject to any disposal restrictions as a term of the invitation or at the time of cessation.
Clawback and malus	If the Board becomes aware of a material misstatement in the Company's financial statements, that a participant has committed an act of fraud, gross negligence or serious misconduct, that a participant is responsible for material financial loss, contributes to material reputational damage, is in breach of their duties or obligations to any Group Company, or is convicted of an offence, or that some other circumstance has occurred which, as a result, means that a participant's Award should be reduced or extinguished, or should not vest, then the Board may claw back or adjust any such Award at its discretion to ensure no unfair benefit is derived by the participant.
Change of control	If a change of control event occurs with respect to the Company, the Board may determine, in its discretion, the manner in which all unvested Shares, or options or rights, will be dealt with.
Trust	The Company may establish an employee share trust for the purposes of the QEEP.

Schedule 3 – Member nomination of auditor

7 October 2022

Mrs. Terrie Morgan

Company Secretary

Qualitas Limited

Level 38, 120 Collins Street

Melbourne VIC 3000

Dear Mrs. Morgan

Re: Nomination of KPMG as Auditor of Qualitas Limited

DSM Investor Pty Ltd (ACN 654 041 264), as trustee for the DSM Family Trust, being a member of Qualitas Limited ACN 655 057 588 (Company), hereby nominate KPMG for appointment as Auditor of the Company and its controlled entities pursuant to section 328B of the Corporations Act 2001 (Cth), at the next Annual General Meeting (Meeting) of the Company to be held on 18 November 2022, or any adjournment or postponement of that Meeting.

Sincerely

DocuSigned by:
Daniel Mote
13F59DB7B3CC448

Daniel Mote

Director, DSM Investor Pty Ltd ATF DSM Family Trust

Member of Qualitas Limited