



23 September 2022

Dear Shareholder,

On behalf of the Directors of Audinate Group Limited (**Audinate**), I am pleased to invite you to attend the 2022 Annual General Meeting (**AGM**) of Audinate. Enclosed is the Notice of Meeting setting out the business of the AGM.

Audinate's 2022 AGM will be held on Tuesday, 25 October 2022 commencing at 9.30am (Sydney time) at Rydges Sydney Central at 28 Albion Street Surry Hills, NSW 2010.

If you are attending the AGM, please bring your Proxy Form with you to facilitate a faster registration. If you are unable to attend the AGM, I encourage you to complete and return your Proxy Form no later than 9:30am (Sydney time) on Sunday, 23 October 2022 in one of the ways specified in the Notice of Meeting or Proxy Form.

All resolutions considered at the AGM will be decided on by poll. I encourage you to read the Notice of Meeting (including the Explanatory Memorandum) and consider directing your proxy how to vote in each resolution by marking either the "for" box, the "against" box or the "abstain" box on the Proxy Form.

Subject to the abstentions noted in the Explanatory Memorandum, the Directors of Audinate unanimously recommend that shareholders vote in favour of all resolutions.

Following the conclusion of the AGM, you are welcome to join the Board and Management for light refreshments.

Thank you for your continued support of Audinate.

Yours faithfully,

A handwritten signature in black ink that reads 'David Krall'.

**David Krall**  
Chairman

**AUDINATE GROUP LIMITED**  
**ABN 56 618 616 916**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the Annual General Meeting (**AGM** or **Meeting**) of shareholders of Audinate Group Limited (**Audinate** or the **Company**) will be held:

Date: Tuesday, 25 October 2022

Time: 9.30am (Sydney time)

Venue: Rydges Sydney Central, 28 Albion Street, Surry Hills NSW 2010

The Explanatory Memorandum accompanying this Notice of Meeting provides additional information on matters to be considered at the AGM. The Explanatory Memorandum, Entitlement to Attend and Vote section and Proxy Form are part of this Notice of Meeting.

**A. CONSIDERATION OF REPORTS**

To receive and consider the Financial Report, the Directors' Report, and the Independent Auditor's Report of the Company for the financial year ended 30 June 2022.

All shareholders can view the 2022 Annual Report which contains the Financial Report for the year ended 30 June 2022 on the Company's website at <https://investor.audinate.com/investor-centre/>.

Shareholders are not required to vote on this item. However, during this item, shareholders will be given an opportunity to ask questions about, and make comments on, Audinate's 2022 Annual Report.

**B. QUESTIONS AND COMMENTS**

Following consideration of the Reports, the Chairman of the Meeting will give shareholders a reasonable opportunity to ask questions about or make comments on the business of the meeting, the management of the Company or about the Company generally.

The Company's external Auditor, Deloitte Touche Tohmatsu (**Auditor**), will attend the meeting and there will be a reasonable opportunity for those shareholders present to ask the Auditor questions relevant to:

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

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by shareholders that are relevant to the content of the Independent Auditor's Report or the conduct of the audit.

**C. ITEMS FOR APPROVAL**

**Resolution 1. Re-election of Director – John Dyson**

To consider and, if thought fit, pass the following as an ordinary resolution of the Company:

*"That for the purposes of clause 15.6 of the Company's Constitution and ASX Listing Rule 14.4 and for all other purposes, John Dyson, who retires and being eligible for re-election, is re-elected as a Director of the Company."*

**Resolution 2. Re-election of Director – Roger Price**

To consider and, if thought fit, pass the following as an ordinary resolution of the Company:

*“That for the purposes of clause 15.6 of the Company’s Constitution and ASX Listing Rule 14.4 and for all other purposes, Roger Price, who retires and being eligible for election, is re-elected as a Director of the Company.”*

### **Resolution 3. Remuneration Report**

To consider and if thought fit, pass the following as a non-binding ordinary resolution of the Company:

*“That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Company’s Remuneration Report for the financial year ended 30 June 2022, as set out in the Directors’ Report, be adopted.”*

The Remuneration Report is contained in the 2022 Annual Report (available at [www.investor.audinate.com](http://www.investor.audinate.com)). Please note that, in accordance with section 250R(3) of the *Corporations Act 2001* (Cth) (**Act**), the vote on this resolution is advisory only and does not bind the Directors or the Company.

#### Voting Exclusion Statement

A vote on Resolution 3 must not be cast (in any capacity) by, or on behalf of, the following persons:

- a. a member of the key management personnel (**KMP**) whose remuneration details are included in the 2022 Remuneration Report; or
- b. a closely related party of such a KMP (including close family members and companies the KMP controls).

However, a person described above may cast a vote on Resolution 3 as a proxy if the vote is not cast on behalf of a person described above and either:

- a. the proxy appointment is in writing that specifies the way the proxy is to vote (e.g. for, against, abstain) on the resolution; or
- b. the vote is cast by the chair of the Meeting and the appointment of the chair as proxy:
  - i. does not specify the way the proxy is to vote on the resolution; and
  - ii. expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP; or
- c. the proxy holder is acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - ii. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In accordance with section 250BD of the Act, a vote must not be cast on Resolution 3 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person where the proxy appointment specifies the way the proxy is to vote on the resolution. This restriction on voting undirected proxies does not apply to the Chairman of the Meeting where the proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

“Key management personnel” and “closely related party” have the same meaning as set out in the Act.

### **Resolution 4. Issue of Performance Rights to CEO and Accelerated pro-rata vesting**

#### *Resolution 4A*

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

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue of up to 70,000 Performance Rights to Mr Aidan Williams under the Audinate Long Term Incentive Plan on the terms described in the Explanatory Memorandum which forms part of this Notice of Meeting (**Performance Rights**), is approved.”*

#### *Resolution 4B*

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

*"That for the purposes of sections 200B and 200E of the Act and all other purposes, and conditional on shareholders approving Resolution 4A, the financial benefits to be given by the Company to Mr. Williams in connection with the pro-rata vesting of up to 70,000 Performance Rights to be issued to Mr Williams under the Plan in the event of cessation of Mr. Williams's employment, as described in the Explanatory Notes accompanying this Notice of Meeting, be approved."*

#### Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11 and the Corporations Act, the Company will disregard any votes cast in favour of Resolution 4A or Resolution 4B by or on behalf of:

- a. Aidan Williams; or
- b. an associate of Aidan Williams.

Additionally, in accordance with ASX Listing Rule 14.11, the Company will also disregard any votes cast in favour of Resolution 4A or Resolution 4B by or on behalf of a person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question and any of their associates.

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

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

In accordance with section 250BD of the Corporations Act 2001 (Cth), a vote must not be cast on Resolution 4A or Resolution 4B as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person where the proxy appointment specifies the way the proxy is to vote on the resolution. This restriction on voting undirected proxies does not apply to the Chairman of the Meeting where the proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

#### **Resolution 5. Approval of Increase in Maximum Aggregate Non-Executive Director Fees**

To consider and, if thought fit, pass the following as an ordinary resolution of the Company:

*"That, for the purposes of ASX Listing Rule 10.17 and in accordance with clause 15.13 of the Company's Constitution, the maximum aggregate amount per annum available for payment as remuneration to the Non-Executive Directors of Audinate Group Limited be increased by \$250,000, from \$750,000 per annum to \$1,000,000 per annum."*

### Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 5 by or on behalf of any Director of Audinate or any of their associates.

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

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

In accordance with section 250BD of the Corporations Act 2001 (Cth), a vote must not be cast on Resolution 5 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chairman of the Meeting where the proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

### **Resolution 6. Renewal of Proportional Takeover Provisions**

To consider and, if thought fit, pass the following as a special resolution of the Company:

*"That, the proportional takeover provisions in clause 27 of the Company's Constitution, as set out in Attachment B of this Notice of Meeting, be renewed for a period of three years commencing on the day this resolution is passed."*

BY ORDER OF THE BOARD



**Rob Goss**  
**Company Secretary**  
23 September 2022

## **ENTITLEMENT TO ATTEND AND VOTE**

In accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Board has determined that persons who are registered holders of shares of the Company as at 7.00pm Sydney time) on Sunday, 23 October 2022 will be entitled to attend and vote at the AGM as a shareholder.

If more than one joint holder of shares is present at the AGM (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

### *Appointment of Proxy*

If you are a shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act 2001 (Cth) (the **Act**) to exercise its powers as proxy at the AGM.

A proxy need not be a shareholder of the Company.

A shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the shareholder's votes.

To be effective, the proxy must be received at the Share Registry of the Company no later than 9.30am (Sydney time) on Sunday, 23 October 2022. Proxies must be received before that time by one of the following methods:

**Online (preferred):** [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

By post: Audinate Group Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia

By facsimile: (02) 9287 0309 (within Australia)  
+61 2 9287 0309 (from outside Australia)

By delivery in person: Link Market Services Limited\*  
Parramatta Square, Level 22, Tower 6  
10 Darcy Street  
Parramatta NSW 2150

*\*During business hours Monday to Friday (9.00am – 5.00pm) and subject to public health orders and restrictions.*

To be valid, a proxy form must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any proxy not received in this manner. A personalised hardcopy of your proxy form can be obtained by contacting Link Market Services.

### *Power of Attorney*

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 9.30am (Sydney time) on Sunday, 23 October 2022, being 48 hours before the AGM.

### *Corporate Representatives*

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the requirements under section 250D of the Act. The representative should provide a properly executed letter or other document confirming its authority to act as the company's representative to Link Market Services prior to the meeting. A "Certificate of Appointment of Corporate Representative" form may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

**IMPORTANT:** If you appoint the Chairman of the Meeting as your proxy, or the Chairman becomes your proxy by default, and you do not direct your proxy how to vote on Resolutions 3, 4A, 4B and 5, then by submitting the proxy form you will be expressly authorising the Chairman to exercise your proxy on the relevant resolution, even though the resolutions are connected, directly or indirectly, with the remuneration of the KMP. The Chairman of the Meeting intends to vote all available undirected proxies in favour of each resolution.

### *Voting at the Meeting*

Voting on each of the proposed resolutions at this Meeting will be conducted by a poll, rather than on a show of hands, in accordance with the Act.

### **SHAREHOLDER QUESTIONS – SUBMITTED PRIOR TO THE MEETING**

Shareholders who are unable to attend the Meeting or who may prefer to register questions in advance are invited to do so. Please log onto [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au), select Voting then click 'Ask a Question', or alternatively submit an email to the Company Secretary, Rob Goss at [rob.goss@audinate.com](mailto:rob.goss@audinate.com).

To allow time to collate questions and prepare answers, please submit any questions by 9.30am (Sydney time) on Tuesday, 18 October 2022. Questions will be collated and, during the AGM, the Chairman will seek to address as many of the more frequently raised topics as possible. However, there may not be sufficient time available at the AGM to address all topics raised. Please note that individual responses will not be sent to shareholders.

### **CONDUCT OF MEETING**

Audinate is committed to ensuring that its shareholder meetings are conducted in a manner which provides those shareholders (or their proxy holders) who attend the meeting with the opportunity to participate in the business of the meeting in an orderly fashion and to ask questions about and comment on matters relevant to the business of the meeting or about the Company generally. Audinate will not allow conduct at any shareholder meeting which is discourteous to those who are present at the meeting, or which in any way disrupts or interferes with the proper conduct of the meeting. The Chairman of the Meeting will exercise his powers as the Chairman to ensure that the meeting is conducted in an orderly and timely fashion, in the interests of all attending shareholders.

## **EXPLANATORY MEMORANDUM**

This Explanatory Memorandum has been prepared for the information of shareholders of the Company (**Shareholders**) in relation to the business to be conducted at the Company's AGM to be held on Tuesday, 25 October 2022.

The purpose of this Explanatory Memorandum is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote upon the resolutions.

Subject to the abstentions noted below, the Directors unanimously recommend Shareholders vote in favour of all Resolutions. The Chairman of the Meeting intends to vote all available undirected proxies in favour of each resolution.

Resolutions 1, 2, 4 and 5 are ordinary resolutions, which require a simple majority of votes cast by Shareholders present and entitled to vote on the resolution.

Resolution 3, relating to the Remuneration Report, is advisory and does not bind the Directors or the Company.

Resolution 6 is to be voted on as a special resolution. For a special resolution to be passed, at least 75% of the votes cast by Shareholders present and entitled to vote on the resolution must be in favour of the resolution.

### **Resolution 1. Re-election of Director – John Dyson**

John Dyson is a Non-Executive Director of Audinate and a member of both the Remuneration and Nomination and the Audit and Risk Management Committees. John was appointed as a director of the Company on 19 April 2017 and re-elected by shareholders at the 2017 and 2019 Annual General Meetings.

In accordance with 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 the longer. In addition, clause 15.6 of the Constitution provides that at each Annual General Meeting one-third of the directors (other than the managing director), or, if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third of the directors must retire from office by rotation. Directors who retire by reason of clause 15.6 of the Constitution are those directors who have been in office the longest since their last election. A retiring director is eligible for re-election.

John was last appointed as a Director on 24 October 2019 and accordingly, retires from office in accordance with the above requirements and submits himself for re-election.

John holds a Master of Business Administration from RMIT University and a Bachelor of Science degree from Monash University. He has a Graduate Diploma in Finance and Investment from the Securities Institute of Australia and is a graduate and member of the Australian Institute of Company Directors.

John is a director and one of the founders of Starfish Ventures. He played a crucial role in the establishment of Starfish Ventures and has personally overseen and managed investments across a range of technologies and industries. John is currently a director of Atmail Pty Ltd., Echoview Pty Ltd., Akatana Inc., Design Crowd Pty Ltd, Marp Therapeutics Pty Ltd and Hearables 3D Pty Limited. John is also a director of the Walter and Eliza Hall Institute of Medical Research. Formerly, John was General Manager (Australia) of JAFCO Investment (Asia Pacific), a Singapore based private equity manager. Prior to joining JAFCO, John worked in the investment banking and stockbroking industries for Schroders, Nomura Securities, KPMG and ANZ McCaughan.

The Board has considered whether John had any interest, position of relationship that may interfere with his independence as a Director, having regard to the relevant factors as set out in the ASX Principles. The Board considers that John (if re-elected) will continue to be an independent director.

Prior to submitting himself for re-election, John has confirmed that he would continue to have sufficient time to properly fulfil his duties and responsibilities to the Company.



The Board supports the re-election of John as he will continue to contribute from the breadth of exposure and experience from a broad range of Directorships, including many technology companies. He provides specific expertise around corporate governance, M&A, risk management and remuneration policies and frameworks.

*The Directors, with John Dyson abstaining, unanimously recommend Shareholders vote in favour of this Resolution 1.*

## **Resolution 2. Re-election of Director – Roger Price**

Roger Price is a Non-Executive Director of Audinate and a member of the Audit and Risk Management Committee. Roger was appointed as a director of the Company on 19 April 2017 and re-elected by shareholders at the 2017 and 2020 Annual General Meetings.

In accordance with 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 the longer. In addition, clause 15.6 of the Constitution provides that at each Annual General Meeting one-third of the directors (other than the managing director), or, if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third of the directors must retire from office by rotation. Directors who retire by reason of clause 15.6 of the Constitution are those directors who have been in office the longest since their last election. A retiring director is eligible for re-election.

Roger was last appointed as a Director on 15 October 2020 and accordingly, retires from office in accordance with the above requirements and submits himself for re-election.

Roger is currently Chair of Additive Assurance Pty Ltd. He was formerly the Chairman and Chief Executive Officer of Windlab Limited, a wind energy company (which was listed on the ASX until it was sold and delisted on 29 June 2020). Previously Roger was also a partner at Innovation Capital, a venture capital firm in Sydney, one of the early investors in the Group.

Roger has a depth of operational experience including senior engineering, manufacturing, information technology service and international business development roles for a number of technology-based companies. Prior to joining Innovation Capital, Roger was the Chief Executive Officer of Reino Intl., a developer of advanced parking solutions.

Roger commenced his career at Alcatel and has held senior positions with a number of Australian technology businesses and NASDAQ listed software companies.

The Board has considered whether Roger had any interest, position of relationship that may interfere with his independence as a Director, having regard to the relevant factors as set out in the ASX Principles. The Board considers that Roger (if re-elected), will continue to be an independent director.

Prior to submitting himself for re-election, Roger has confirmed that he would continue to have sufficient time to properly fulfil his duties and responsibilities to the Company.

The Board supports the re-election of Roger and believe that he complements the skills and experience of the board in areas specifically relating to product development, manufacturing and B2B business development within international technology companies. He also has significant experience in capital management, M+A and Corporate Governance.

*The Directors, with Roger Price abstaining, unanimously recommend Shareholders vote in favour of this Resolution 2.*

## **Resolution 3. Remuneration Report**

Section 250R(2) of the Corporations Act 2001 (Cth) (the **Act**) requires that the section of the Directors' Report dealing with the remuneration of directors and key management personnel of the Company (**Remuneration Report**) be put to the vote of shareholders for adoption by way of a non-binding vote.

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 the vote into account in setting remuneration policy for future years.

Key management personnel (**KMP**) are those persons having authority and responsibility for planning, directing and controlling the activities of Audinate including any executive or non-executive director.

Broadly, the Remuneration Report:

- discusses the Board of Audinate's policy in relation to remuneration of the KMP;
- discusses the relationship between the Board's policy and Company performance;
- details any performance conditions attached to KMP remuneration; and
- sets out remuneration details for each KMP.

Shareholders can view the full Remuneration Report in the 2022 Annual Report which is available on Audinate's website at [www.investor.audinate.com](http://www.investor.audinate.com).

Following consideration of the Remuneration Report, the Chairman of the Meeting will give shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

*Noting that each director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Directors unanimously recommend Shareholders vote in favour of this Resolution 3.*

#### **Resolution 4. Issue of Performance Rights to CEO and Pro-rata vesting**

Please refer to the Company's Remuneration Report in the 2022 Annual Report for details on the Company's approach to remuneration which includes fixed and at-risk remuneration.

##### **Resolution 4A**

Resolution 4A seeks shareholder approval of the proposed grant of Performance Rights to Mr Aidan Williams, Chief Executive Officer and Director of Audinate, to acquire fully paid ordinary shares (**Shares**) in the Company under the Audinate Long Term Incentive Plan (**Plan**). The Company has agreed, subject to obtaining shareholder approval, to grant a maximum of 70,000 Performance Rights to Mr Williams (**Issue**).

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive plan unless it obtains the prior approval of its shareholders:

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

The Issue falls within Listing Rule 10.14.1 as the proposed issue is to Aidan Williams, a Director of the Company, and therefore requires the approval of Audinate's shareholders under Listing Rule 10.14.

Resolution 4A seeks the required shareholder approval to the Issue under and for the purposes of Listing Rule 10.14.

If shareholders approve Resolution 4A, the Company will be able to proceed with the issue of Performance Rights to Mr Williams on the terms and conditions as set out in this Notice. Further to this, approval of this resolution will result in the grant of up to 70,000 Performance Rights to Mr Williams falling within exception 14 in Listing Rule 7.2. Therefore, the issue of Performance Rights to Mr Williams will not be included in the 15% placement calculation for the purposes of Listing Rule 7.1. The issue of Shares in the Company on the vesting of the Performance Rights will also be excluded from Listing Rule 7.1.

If shareholders do not approve Resolution 4A, the proposed issue of Performance Rights to Mr Williams will not proceed. However, to ensure Audinate can attract and retain the right talent and align their interests with those of shareholders, the Board considers it is important for Audinate to offer incentives to its executives that are in line with market practice. The Board would need to consider alternative remuneration arrangements.

#### *Proposed Number of Performance Rights*

It is proposed that Mr Williams be granted up to 70,000 Performance Rights. The exact number of performance rights may be less than this amount depending upon the 10-day volume weighted average price (**VWAP**) of Audinate shares and the discretion of the Board.

In determining the number of Performance Rights recommended to be issued to Mr Williams, the Remuneration & Nomination Committee took into consideration external advice and sought to balance short-term remuneration with long term share-holder growth.

#### *Vesting Conditions and Performance Hurdles*

The Performance Rights will vest over a period of three years subject to the satisfaction of both:

- 1) a service based vesting condition; and
- 2) the relevant performance hurdle.

The vesting condition for the Performance Rights is that Mr Williams must remain an Employee (as defined in the Plan Rules) up to and including the vesting date for the Performance Rights. The Performance Rights vest from 30 June 2025 subject to satisfaction of the vesting conditions below.

The performance hurdle for the Performance Rights is aligned to the Company's US Dollar revenue compound annual growth rate (**CAGR**) over the three years from 1 July 2022 – 30 June 2025.

The Performance Rights commence vesting upon achieving a 25% revenue CAGR and will vest fully upon achieving a 35% revenue CAGR. The Remuneration and Nomination Committee has set the vesting condition as revenue CAGR as it more directly aligns to the creation of shareholder value and is more within the control of management than a relative Total Shareholder Return performance measure.

The percentage of Performance Rights that vest will be as follows:

<b>USD Revenue CAGR % increase</b>	<b>Percentage of Performance Rights to vest</b>
< 25%	No vesting
25 – 35%	Pro-rata straight line vesting between 25% and 100%
≥ 35%	100% vesting

#### *Exercise Period*

Mr Williams's Performance Rights will be automatically exercised on the date specified in the Vesting Notification provided to Mr Williams as defined in the Plan Rules.

Any unvested Performance Rights will automatically lapse on the expiry date of the Performance Rights, being 15 September 2025.

#### *Additional Terms of the Performance Rights*

- Performance Rights do not carry any dividend or voting Performance Rights prior to vesting.
- Each vested Right enables Mr Williams to be issued or transferred one share, subject to the rules governing the Plan.
- The Company's obligation to allocate Shares on vesting of the Performance Rights may be satisfied by issuing new shares or procuring the transfer to Mr Williams of the number of shares in respect of which Performance Rights have vested.

- The Plan contains provisions which give the Board the ability, in certain circumstances, to impose clawback, including the lapse of unvested Performance Rights and forfeit of shares allocated upon vesting of Performance Rights (e.g. in the event of fraud, dishonesty or serious breach of duty).
- In the event, in the Board's opinion, there is the likely result of a change in the control (as defined in the Plan rules) of the Company, the Performance Rights may be subject to accelerated vesting in accordance with the Plan rules.
- In the event there is any corporate action by, or capital reconstruction in relation to the Company (including but not limited to return of capital), adjustments may be made to the number of Performance Rights and/or the number of Shares to which Mr Williams is entitled upon vesting in accordance with the Listing Rules or in a manner that the Board considers appropriate.
- In the event of cessation of employment, unvested Performance Rights will be treated as follows:
  - If Mr Williams is considered a Good Leaver under the terms of the Plan, the Board in its absolute discretion will determine whether:
    - any or all of Mr Williams's unvested Performance Rights will continue to be held and subject to the same performance hurdles and vesting conditions;
    - any or all of Mr Williams's Performance Rights will be bought back in accordance with the Rules; or
    - any or all of the Performance Rights will automatically lapse.
  - If Mr Williams ceases employment prior to the Conversion Date other than as a Good Leaver, all of the unvested Performance Rights will lapse unless the Board determines otherwise and any vested Performance Rights which have not converted to shares will remain in force and be exercisable.
  - In the event that Resolution 4B is approved then the Board will have the discretion to approve pro-rata vesting in accordance with the formula set out in the explanatory notes for Resolution 4B outlined immediately below.
- Under the Plan rules, any dealing in respect of a Right is prohibited, unless the Board determines otherwise, or the dealing is required by law.

#### *Technical information for the purposes of the ASX Listing Rules*

In accordance with the requirements of ASX Listing Rule 10.15, the following information is provided with respect to Resolution 4A:

- Aidan Williams is a Director of the Company and as such falls within the category of person in ASX Listing Rule 10.14.1. Accordingly, shareholder approval for Mr Williams to acquire equity securities under an employee incentive scheme for the purpose of ASX Listing Rule 10.14 is required.
- The maximum number of Performance Rights (and subsequently, the number of Shares) that may be acquired by Mr Williams under the Plan and for which shareholder approval is sought is 70,000.
- Mr Williams' current total remuneration package for FY23 comprises:
  - a fixed base salary of \$529,000 (including superannuation);
  - a variable short-term incentive (bonus) of up to \$264,500, payable in cash; and
  - a variable long-term incentive of up to \$529,000 worth of Performance Rights, the subject of this resolution.
- The following securities have been previously issued to Mr Williams under the Company's Long Term Incentive Plan:
  - 236,398 Performance Rights were granted in accordance with the disclosure provided by the Company in its prospectus dated 13 June 2017. (It should be noted that all other

- Key Management Personnel had options which vested at the time of the Initial Public Offer). The Performance Rights were granted for nil financial consideration.
  - 40,114 Performance Rights were granted on 30 June 2020, following approval by shareholders at the 2019 Annual General Meeting. The Performance Rights were granted for nil financial consideration.
  - 51,702 Performance Rights were granted on 11 November 2020, following approval by shareholders at the 2020 Annual General Meeting. The Performance Rights were granted for nil financial consideration.
  - 40,600 Performance Rights were granted on 29 November 2021, following approval by shareholders at the 2021 Annual General Meeting. The Performance Rights were granted for nil financial consideration.
- Key terms of the Performance Rights: The Performance Rights are not quoted on the ASX and carry no voting or dividend rights. The key terms of the Performance Rights are noted above. Shares issued on vesting of the Performance Rights will rank equally with ordinary shares on issue.
- Reason for issuing Performance Rights: Performance Rights are considered by the Board to be an appropriate equity security under the Audinate Long Term Incentive Plan as the vesting of those Performance Rights link directly to vesting conditions (described above) which relate to the performance of the company, to be satisfied before fully paid ordinary shares are issued.
- Value attributed to Performance Rights: The value of Performance Rights is based upon the fair value at grant date, which, in accordance with AASB 2 *Share-based Payment* does not consider the probability of the actual shares expected to vest. The share-based payment expense will be adjusted over the period, as further information becomes available to reflect the actual shares awarded.
- The Performance Rights will be issued to Mr Williams on or about the date of the AGM, but in any event no later than 3 years after the date of the meeting.
- The issue price for the Performance Rights is nil and no money is payable by Mr Williams for a Share on the vesting of a Performance Right.
- A summary of the material terms of Audinate Long Term Incentive Plan is set out in Attachment A.
- No loans will be made in relation to the acquisition of the Performance Rights or Shares by Mr Williams.
- Details of any securities issued under the Audinate Long Term Incentive Plan will be published in Audinate's 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 securities under the Audinate Long Term Incentive Plan after this Resolution 4A is approved and who are not named in this Notice will not participate until approval is obtained.
- A voting exclusion statement is set out in the Notice.

#### **Resolution 4B**

In addition to Resolution 4A, outlined immediately above, the Company is proposing Resolution 4B to seek Shareholder approval pursuant to section 200E of the Corporations Act for the accelerated pro-rata vesting of the Performance Rights in limited circumstances and in the event that Mr. Williams ceases to be employed by the Company, as specified in the terms of the 2023 LTI Award. These circumstances include retirement, redundancy, death or permanent incapacity. Resolution 4B is conditional on shareholder approval of Resolution 4A being obtained.

### *Corporations Act requirements in relation to termination benefits*

Part 2D.2 of the Corporations Act restricts the benefits that can be given to persons who hold a "managerial or executive office" (as defined in the Corporations Act) on leaving their employment with the company or any of its subsidiaries, unless an exception applies.

Under section 200B of the Corporations Act, the Company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the Company if it is approved by Shareholders under section 200E of the Corporations Act or an exemption applies. The term 'benefit' may include the pro-rata vesting of the Performance Rights in the limited circumstances outlined above where Mr. Williams ceases to be employed by the Company. As Mr Williams is the current CEO of the Company, this accelerated pro-rata vesting of the Performance Rights, in these circumstances, may amount to the giving of a termination benefit requiring Shareholder approval.

Accordingly, Shareholder approval is sought for all purposes including Part 2D.2 of the Corporations Act to approve the giving of benefits in connection with Mr William's ceasing to be an officer of, and ceasing to hold an executive office in, the Company as a result of the accelerated pro rata vesting, on the terms and conditions in this Explanatory Memorandum.

### *Other Conditions*

If Mr. Williams ceases employment before the Vesting Conditions are satisfied, the Performance Rights will automatically lapse (unless the Board determines otherwise).

In the case of cessation of employment because of retirement, redundancy, death or permanent incapacity, in accordance with the Plan, the Board may approve a pro-rata vesting of the Performance Rights. The number of Performance Rights that may vest on cessation of Mr Williams's employment in these circumstances will be calculated as follows:

<u>Date of Grant to Date of Termination (in days)</u>	X	No. of Performance Rights
Date of Grant to Intended Vesting Date (in days)		held on cessation

The value of the termination benefits that the Company may give as a result of the accelerated pro rata vesting of the Performance Rights cannot be determined in advance. This is because the value of a particular benefit will depend on the Company's share price at the time of vesting which will be the date of Mr Williams' cessation as a director and executive officer. If applicable the Company will determine the value of the benefit based on the accounting standards and consider the need for an independent external valuation at the time.

Resolution 4B is conditional on shareholder approval being obtained for Resolution 4A. To allow the Company to progress the business of this AGM without the need for any adjournment to consider the results of the vote on Resolution 4A, the Company will put Resolution 4B to a vote on a conditional basis. A contingent poll will be held on this basis. The result of the vote on Resolution 4B will only be relevant if Resolution 4A is approved.

If Resolution 4A is approved by shareholders but Resolution 4B is not approved by shareholders, this will have no impact on the approval or transactions contemplated under Resolution 4A.

### ***Directors' Recommendation***

*The Directors, with Mr Williams abstaining, unanimously recommend that Shareholders vote in favour of Resolution 4A and Resolution 4B for the reasons set out below:*

- *The Directors consider that it is important for the Company to be able to attract and retain experienced Executives and that the proposed grant of Performance Rights to Mr Williams is appropriate taking into account his level of experience and contribution to the Company;*
- *The Directors consider that the proposed number of Performance Rights to be granted to Mr Williams is appropriate to:*
  - *Motivate Mr Williams to pursue long-term growth and success of the Company (within an appropriate control framework);*
  - *Align the interests of key leadership with the long-term interests of the Company's shareholders; and*
  - *Ensure a clear correlation between performance and remuneration, in accordance with the Company's remuneration policy; and*
- *The ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition) note that equity-based remuneration can be an effective form of remuneration for executives.*

#### **Resolution 5. Approval of Increase in Maximum Aggregate Non-Executive Director Fees**

In accordance with clause 15.13 of the Constitution and for the purposes of ASX Listing Rule 10.17, the maximum aggregate amount payable as remuneration to all NEDs of the Company in any year may not exceed an amount determined by shareholders from time to time at a general meeting (**NED Fee Pool**).

Accordingly, Resolution 5 seeks shareholder approval to increase the maximum aggregate annual amount available to be paid or provided to the NEDs of Audinate by \$250,000, from \$750,000 to \$1,000,000 per annum (including applicable statutory superannuation guarantee contributions payable by the Company to the NEDs).

If shareholders approve Resolution 5, then Audinate will have an additional \$250,000 which may be used to pay its Non-Executive Directors including to retain existing NEDs or attract any new candidates to the Board (if required).

If shareholders do not approve Resolution 5, then the existing maximum aggregate NED Fee Pool of \$750,000 will remain and Audinate will not be able to pay its NEDs (in aggregate) fees above this amount.

The Board is seeking shareholder approval to increase the NED Fee Pool for the following reasons:

- the Directors wish to recruit an additional NED to expand the capability and improve the diversity of the Board. Increasing the NED Fee Pool will help ensure the NED Fee Pool can accommodate any additional NEDs being appointed to the Board; and
- it will also enable the Company to maintain remuneration arrangements that are market competitive, so it can attract and retain high calibre individuals as NEDs.

If shareholder approval is obtained, the increased available NED Fee Pool will apply from and including the financial year ending 30 June 2023.

The NED Fee Pool has not been increased by Members since the Company listed on Australian Securities Exchange in June 2017. For the year ended 30 June 2022 the total amount of fees paid to NEDs amounted to \$569,509.

While the NED Fee Pool is a maximum annual limit available to be paid or provided to all NEDs, the proposed increase to the NED Fee Pool does not imply that the fees payable to the NEDs will be increased according to that limit, or that the full amount of the NED Fee Pool will be used.

Details of NEDs' fee arrangements have been disclosed in the Company's annual remuneration report which must be submitted for adoption by resolution of shareholders at every Annual General Meeting.

No securities have been issued to NEDs under ASX Listing Rules 10.11 and 10.14 with shareholder approval during the preceding three years.

*In the interests of good governance, the Directors abstain from making a recommendation on this Resolution 5.*

#### **Resolution 6. Renewal of Proportional Takeover Provisions**

Clause 27 of the Company's Constitution (**Clause 27**) currently contains provisions dealing with proportional takeover bids for shares in accordance the Act. Under the Act and Clause 27, the provisions must be renewed every three years or they will cease to have effect. The proposed resolution seeks to reinstate the provision of Clause 27 of the Constitution for three years from the date of approval of the proposed resolution.

The Directors consider that it is in the interests of shareholders for the Company to include a proportional takeover rule and approval is therefore being sought to renew Clause 27 of the constitution.

The Act requires that the following information be provided to Shareholders when they are considering the renewal of proportional takeover provisions in a constitution.

#### ***What is a proportional takeover bid, and why do we need the proportional takeover approval provisions?***

A proportional takeover bid involves the bidder offering to buy a proportion only of each shareholder's shares in the target company. This means that control of the Company may pass to the bidder without Shareholders having the chance to sell all their shares to the bidder. It also means the bidder may take control of the Company without paying an adequate amount for gaining control.

In order to deal with this possibility, a company may provide in its constitution that:

- in the event of a proportional takeover bid being made for shares in the company, shareholders are required to vote by ordinary resolution and collectively decide whether to accept or reject the offer; and
- the majority decision of the company's shareholders will be binding on all individual shareholders.

The Directors consider that Shareholders should be able to vote on whether a proportional takeover bid ought to proceed given such a bid might otherwise allow control of the Company to change without Shareholders being given the opportunity to dispose of all of their shares for a satisfactory control premium. The Directors also believe that the right to vote on a proportional takeover bid may avoid Shareholders feeling pressure to accept the bid even if they do not want it to succeed.

#### ***What is the effect of the proportional takeover approval provisions?***

If a proportional takeover bid is made, the Directors must ensure that Shareholders vote on a resolution to approve the bid more than 14 days before the bid period closes.

The vote is decided on a simple majority. Each person who, as at the end of the day on which the first offer under the bid was made, held bid class securities, is entitled to vote. However, the bidder and their associates are not allowed to vote.

If the resolution is not passed, transfers which would have resulted from the acceptance of a bid will not be registered and the bid will be taken to have been withdrawn. If the bid is approved (or taken to have been approved), the transfers must be registered if they comply with the Act and the Company's Constitution.

The bid will be taken to have been approved if the resolution is not voted on within the deadline specified under the Act. However, the Directors will breach the Act if they fail to ensure the approving resolution is voted on.



The proportional takeover approval provisions do not apply to full takeover bids, and only apply for three years after the date they are renewed. The provisions may be renewed, or reinserted upon expiry of the initial three-year period, but only by way of a special resolution passed by Shareholders.

***No present acquisition proposals***

As at the date on which this Notice of Meeting was prepared, 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***

While the renewal of Clause 27 will allow the Board to ascertain shareholders' views on a proportional takeover bid, the Directors consider that the proportional takeover approval provisions have no potential advantages or disadvantages for them. 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 approval provisions for shareholders include:

- the provisions give all shareholders (other than the offeror and its associates) an opportunity to study the terms of a proportional takeover proposal to determine whether it is in their best interests that it proceed and, on that basis, enables shareholders to decide whether or not to accept the offer;
- the provisions may discourage the making of a proportional takeover bid which may be considered to be opportunistic and may prevent control of the Company passing without the payment of an appropriate control premium;
- the provisions may assist shareholders in not being locked into a minority interest in the Company;
- the provisions may increase shareholders' bargaining power and may assist in ensuring that any future proportional takeover offer is structured so as to be attractive to a majority of independent shareholders; and
- knowing the view of the majority of shareholders may assist each individual shareholder in assessing the likely outcome of the proportional takeover scheme bid and whether to approve or reject that bid.

The potential disadvantages for shareholders include:

- proportional takeover bids for shares in the Company may be discouraged and may reduce any speculative element in the market price of the Company's shares arising from a takeover offer being made;
- shareholders may lose an opportunity of selling some of their shares at a premium;
- the change of a proportional takeover bid being successful may be reduced due to the delay, cost and uncertainty in convening a General Meeting; and
- the renewal of Clause 27 may also be considered an additional restriction on the ability of shareholders to deal freely with their shares.

The Board considers that the potential advantages for shareholders of the proportional takeover approval provisions outweigh the potential disadvantages. In particular, shareholders as a whole are able to decide whether or not a proportional takeover bid is successful.

*The Directors unanimously recommend Shareholders vote in favour of Resolution 6.*

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## Attachment A

### Key Terms of Audinate Long Term Incentive Plan Rules

The key terms of the Audinate Long Term Incentive Plan are as follows:

Where applicable, defined terms have the same meaning as provided in the Audinate Long Term Incentive Plan Rules as available on the Audinate ASX Announcements Platform (lodged 30 June 2017).

The terms and conditions of the Plan are set out in comprehensive rules. A summary of the rules of the Plan is set out below:

- The Plan is open to Directors, senior management, and any other employees of the Company, as determined by the Board. Participation is voluntary.
- The Board may determine the type and number of Awards to be issued under the Plan to each participant and other terms of issue of the Awards, including:
  - what service-based conditions and/or performance hurdles must be met by a participant in order for an Award to vest (if any);
  - the fee payable (if any) to be paid by a participant on the grant of Awards;
  - the exercise price of any option granted to a participant;
  - the period during which a vested option can be exercised; and
  - any forfeiture conditions or disposal restrictions applying to the Awards and any Shares that a participant receives upon exercise of their options or performance rights.
- The Board may, in its discretion, also determine that the Company will issue limited recourse loans to participants to use for the purchase of Shares as part of a Share Award under the Plan.
- When any service-based conditions and/or performance hurdles have been satisfied, participants will receive fully vested Shares or their options/performance rights will become vested and will be exercisable over Shares (as applicable).
- Each vested option and performance right enables the participant to be issued or to be transferred one Share upon exercise, subject to the rules governing the Plan and the terms of any particular offer.
- Participants holding options or performance rights are not permitted to participate in new issues of Securities by the Company but adjustments may be made to the number of Shares over which the options or performance rights are granted and/or the exercise price (if any) to take into account changes in the capital structure of the Company that occur by way of pro rata and bonus issues in accordance with the rules of the Plan and the ASX Listing Rules.
- The Plan limits the number of Awards that the Company may grant without Shareholder approval, such that the sum of all Awards on issue (assuming all options and performance rights were exercised) do not at any time exceed in aggregate 10% of the total issued capital of the Company..
- The Plan defines the circumstances where a participant may be considered a good leaver. In these circumstances the Board has sole and absolute discretion in determining the manner in which any unvested awards may be dealt with.
- In the event of a change of control event, unless the Board in its sole and absolute discretion deems otherwise, awards granted will vest on a pro rata basis where the Board considers vesting conditions and performance hurdles applicable to those awards to have been satisfied.
- The Board may at any time amend the Plan, or the terms and conditions upon which awards have been issued under the Plan, subject to the requirements of the Constitution, the Listing Rules and requirement to not materially reduce the rights of any participants (as set out in clause 22.2 of the Plan).
- The Board may delegate management and administration of the Plan, together with any of their powers or discretions under the Plan, to a committee of the Board or to any one or more persons selected by them as the Board thinks fit.

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**Attachment B – Clause 27 of the Constitution****27. PROPORTIONAL TAKEOVER BID**

27.1 Registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under a proportional takeover bid is prohibited unless and until an Approving Resolution approving the proportional takeover bid is passed.

27.2 A person (other than the bidder or an associate of the bidder) who, as at the end of the day on which the first offer under the proportional takeover bid was made, held bid class Shares is entitled to:

27.2.1 vote on an Approving Resolution; and

27.2.2 has one vote for each bid class Share held.

27.3 Where offers have been made under a proportional takeover bid, the directors must ensure that an Approving Resolution is voted on at a meeting of the persons described in clause 27.2 before the Approving Resolution Deadline.

27.4 An Approving Resolution is passed if more than 50% of the votes cast on the resolution are cast in favour of the resolution and otherwise is taken to have been rejected.

27.5 The provisions of this constitution that apply to a general meeting of the Company apply, with such modifications as the circumstances require, to a meeting that is called under this clause as if the meeting was a general meeting of the Company.

27.6 If an Approving Resolution to approve the proportional takeover bid is voted on in accordance with this clause before the Approving Resolution Deadline, the Company must, on or before the Approving Resolution Deadline, give the bidder and ASX a written notice stating that an Approving Resolution to approve the proportional takeover bid has been voted on and whether it was passed or rejected.

27.7 If no resolution has been voted on in accordance with this clause as at the end of the day before the Approving Resolution Deadline, a resolution to approve the proportional takeover bid is taken, for the purposes of this clause, to have been passed in accordance with this clause.

27.8 Under the Corporations Act, this clause 27 will automatically cease to have effect on the third anniversary of the date of its adoption or as of its most recent renewal.

27.9 In this clause:

**"Approving Resolution"** means a resolution passed in accordance with this clause 27; and

**"Approving Resolution Deadline"** in relation to a proportional takeover bid means the day that is the 14th day before the last day of the bid period.