
VIP GLOVES LIMITED

ACN 057 884 876

NOTICE OF GENERAL MEETING

TIME: 12noon AEDT / 9am Kuala Lumpur Time

DATE: Monday, 19th October 2020

PLACE: Virtual meeting using ZOOM

Due to the ongoing COVID-19 pandemic, Shareholders are asked to avoid attending the meeting in person.

Shareholders are strongly encouraged to lodge their completed proxy forms in accordance with the instructions in this Notice of Meeting.

Following recent modifications to the *Corporations Act 2001* (Cth) and the *Corporations Regulations 2001* under the *Corporations (Coronavirus Economic Response) Determination (no.1) 2020*, no hard copy of the Notice of Meeting and Explanatory Statement will be circulated. The Notice of Meeting has been given to those entitled to receive it by one or more technologies. The Notice of Meeting is also available on the Australian Securities Exchange Market Announcements platform and on the Company's website at <https://www.vipglove.com.my/investor-relations/meeting-notices/2020/General-Meeting>.

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on andrew@accosec.com or +61 (3) 9867 7199.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held as a virtual meeting on ZOOM on Monday, 19th October 2020 at 12noon AEDT / 9am Kuala Lumpur Time.

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 7pm AEDT / 4pm Kuala Lumpur Time on Saturday, 17th October 2020.

VOTING IN PERSON

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

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- By post to Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001 Australia; or
- By facsimile to the Boardroom on facsimile number 61 2 9290 9655; or
- Vote Online at <https://www.votingonline.com.au/vipglovesgm2020>

so that it is received not later than 12noon AEDT on Saturday 17th October 2020.

Proxy Forms received later than this time will be invalid.

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

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or

number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Proxy vote if appointment specifies way to vote

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

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

Transfer of non-chair proxy to chair in certain circumstances

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

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

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

Resolutions to be decided by poll

As Shareholders are asked to participate in the Meeting virtually, each resolution considered at the Meeting will be conducted by a poll. The Board considers voting by poll to be in the interests of the Shareholders as a whole and ensures the views of as many Shareholders as possible are represented at the Meeting. Voting by poll, rather than by show of hands, is also consistent with guidance on passing substantive member resolutions in the *ASX Corporate Governance Principles and Recommendations* (4th edition).

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 - APPROVAL OF THE VIP GLOVES LIMITED EQUITY INCENTIVE PLAN

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

“That for the purposes of Listing Rule 7.2, Exception 13, as an exception to Listing Rule 7.1 and for all other purposes, Shareholders approve the equity incentive plan known as the ‘VIP Gloves Limited Equity Incentive Plan’.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- the person who is eligible to participate in the Equity Incentive Plan; or
- any associates of those persons.

However, the Company need not disregard a vote cast in favour of the Resolution by:

- 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
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- 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 this 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.

2. RESOLUTIONS 2(a)-(f) – ISSUE OF OPTIONS TO DIRECTORS

To consider and, if thought fit, to pass, with or without amendment, the following Resolutions as separate **ordinary resolutions**:

“That, for the purposes of Listing Rule 10.14, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue of:

- 5,000,000 options to Dr Kai Fatt (Joe) Wong, a Director of the Company, or his nominee, pursuant to the Company's Equity Incentive Plan;*
- 7,500,000 options to Mr. Wee Min Chen, a Director of the Company, or his nominee, pursuant to the Company's Equity Incentive Plan;*
- 7,500,000 options to Mr. Chin Kar (Jimmy) Yang, a Director of the Company, or his nominee, pursuant to the Company's Equity Incentive Plan;*
- 5,000,000 options to Mr. How Weng (Sebastian) Chang, a Director of the Company, or his nominee, pursuant to the Company's Equity Incentive Plan;*

- (e) 5,000,000 options to Mr. Chee Cheong (David) Low, a Director of the Company, or his nominee, pursuant to the Company's Equity Incentive Plan; and
- (f) 5,000,000 options to Mr. Peter Yee Ming Ng, a Director of the Company, or his nominee, pursuant to the Company's Equity Incentive Plan,

in accordance with the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of each of these Resolutions by or on behalf of:

- a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question; or
- any associates of those persons.

However, the Company need not disregard a vote cast in favour of the Resolution by:

- 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
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- 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 this 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.

3. RESOLUTION 3 – ISSUE OF OPTIONS TO COMPANY SECRETARY

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

"That in accordance with Listing Rule 7.1, and for all other purposes, the Company is authorised to issue 3,000,000 options to Mr. Andrew Metcalfe, the Company Secretary, or his nominee, pursuant to the Company's Equity Incentive Plan, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
- any associates of those persons.

However, the Company need not disregard a vote cast in favour of the Resolution:

- 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

- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- 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 this 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.

4. RESOLUTIONS 4(a)-(d) – ISSUE OF PERFORMANCE RIGHTS TO DIRECTORS

To consider and, if thought fit, to pass, with or without amendment, the following Resolutions as separate **ordinary resolutions**:

“That, for the purposes of Listing Rule 10.14, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue of:

- (a) 10,000,000 performance rights to Dr Kai Fatt (Joe) Wong, a Director of the Company, or his nominee, pursuant to the Company's Equity Incentive Plan;
- (b) 25,000,000 performance rights to Mr. Wee Min Chen, a Director of the Company, or his nominee, pursuant to the Company's Equity Incentive Plan;
- (c) 25,000,000 performance rights to Mr. Chin Kar (Jimmy) Yang, a Director of the Company, or his nominee, pursuant to the Company's Equity Incentive Plan; and
- (d) 10,000,000 performance rights to Mr. How Weng (Sebastian) Chang, a Director of the Company, or his nominee, pursuant to the Company's Equity Incentive Plan,

in accordance with the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of each of these Resolutions by or on behalf of:

- a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question; or
- any associates of those persons.

However, the Company need not disregard a vote cast in favour of the Resolution:

- 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
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- 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 this 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.

5. RESOLUTIONS 5(a)-(c) – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTY EMPLOYEES

To consider and, if thought fit, to pass, with or without amendment, the following Resolutions as separate **ordinary resolutions**:

“That, for the purposes of Listing Rule 10.14, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue of:

- (a) 1,550,000 performance rights to Kay Wen Chen, the daughter of Mr. Wee Min Chen, a Director of the Company, or her nominee, pursuant to the Company’s Equity Incentive Plan;
- (b) 610,000 performance rights to Kay Shing Chen, the daughter of Mr. Wee Min Chen, a Director of the Company, or her nominee, pursuant to the Company’s Equity Incentive Plan; and
- (c) 800,000 performance rights to Ee Theng Chen, the daughter of Mr. Wee Min Chen, a Director of the Company, or her nominee, pursuant to the Company’s Equity Incentive Plan,

in accordance with the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of each of these Resolutions by or on behalf of:

- a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question; or
- any associates of those persons.

However, the Company need not disregard a vote cast in favour of the Resolution:

- 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
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- 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 this 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.

6. RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS TO NON-RELATED EMPLOYEES OF THE COMPANY

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

“That in accordance with Listing Rule 7.1, and for all other purposes, the Company is authorised to issue 7,040,000 performance rights to employees of the Company, or their nominees, pursuant to the Company’s Equity Incentive Plan, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
- any associates of those persons.

However, the Company need not disregard a vote cast in favour of the Resolution:

- 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
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- 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 this 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.

7. RESOLUTIONS 7(a)-(d) – RATIFICATION OF PRIOR SHARE ISSUES

To consider and, if thought fit, to pass, with or without amendment, the following Resolutions as separate **ordinary resolutions**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, shareholders approve and ratify the issue and allotment of:

(a) 1,266,436 ordinary shares issued at \$0.0289 per share on 30 December 2019;

(b) 3,787,221 ordinary shares issued at \$0.0289 per share on 14 May 2020;

(c) 13,690,475 ordinary shares issued at \$0.03 per share on 24 June 2020; and

(d) 76,503,774 ordinary shares issued at \$0.03 per share on 24 June 2020,

on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of each of these Resolutions by or on behalf of:

- persons who participated in the issue being approved; or
- any associates of those persons.

However, the Company need not disregard a vote cast in favour of the Resolution:

- 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
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- 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 this 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.

DATED: 14 SEPTEMBER 2020

BY ORDER OF THE BOARD

**ANDREW METCALFE
VIP GLOVES LIMITED
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held as a virtual meeting using ZOOM on Monday, 19th October 2020 at 12noon AEDT / 9am Kuala Lumpur time.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. RESOLUTION 1 – APPROVAL OF THE VIP GLOVES LIMITED EQUITY INCENTIVE PLAN

1.1 Background

Resolution 1 seeks Shareholder approval for the adoption of the VIP Gloves Limited Equity Incentive Plan (the "**Equity Incentive Plan**") in accordance with Exception 13 of Listing Rule 7.2. Exception 13 of Listing Rule 7.2 provides that issues under an employee incentive plan are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the plan as an exception to Listing Rule 7.1. However, the exception does not apply to Directors and their associates, who are deemed related parties of the Company, and issues to such persons will require separate approval under Listing Rule 10.14.

If Resolution 1 is passed, the Company will be able to issue equity securities under the Equity Incentive Plan without impacting on the Company's ability to issue up to 15% of its issued Shares without Shareholder approval in any 3-year period.

The Equity Incentive Plan has been designed to incentivise high performance based on Company performance in terms of growth in the value of the Company and resulting increases in Shareholder value.

The Company wishes to exempt issues of securities under the Equity Incentive Plan from contributing towards the rolling annual limit of 15% of issued Shares prescribed by Listing Rule 7.1.

No securities have been issued under this Equity Incentive Plan to date, and this Equity Incentive Plan has not previously been approved by Shareholders. The Company last obtained approval for an equity incentive plan (which was on different terms to the Equity Incentive Plan) on 30 November 2005.

The maximum number of securities proposed to be issued by the Company in respect of the Equity Incentive Plan over the next three years are as follows:

Security	Under Listing Rule 7.2, Exception 13	Under Resolutions 2 to 6	Total
Shares	65,000,000	Nil	65,000,000
Options	25,000,000	38,000,000	63,000,000
Performance Rights	40,000,000	80,000,000	120,000,000
Total	130,000,000	118,000,000	248,000,000

If Shareholder approval is not obtained, any securities issued under the Equity Incentive Plan will not be excluded from the Company's placement capacity.

1.2 Reasons for adopting the Equity Incentive Plan

The Board of Directors believes that grants of securities made to eligible participants under the Equity Incentive Plan will provide a powerful tool to underpin the Company's employment strategy, and that the implementation of Equity Incentive Plan will:

- (a) enable the Company to recruit and retain talented people need to achieve the Company's business objectives;
- (b) link the reward of key staff and officers with the achievements of strategic goals and the long-term performance of the Company;
- (c) promote the interests of the eligible participants to focus on superior performance that creates Shareholder value; and
- (d) align the financial interest of the eligible participants with the interests of the Shareholders.

1.3 Summary of the rules of the Equity Incentive Plan

The following is a summary of the rules of the Equity Incentive Plan the subject of Resolution 1 ("**Plan Rules**"):

(a) Awards

Under the Plan, the Company may offer or issue to eligible employees:

- (i) **Options:** Options are rights to be issued a share in the Company upon payment of an exercise price and satisfaction of vesting conditions specified in the Plan or in the offer for the award.
- (ii) **Performance Rights:** Performance Rights are rights to be issued a share in the Company for nil exercise price upon satisfaction of vesting conditions specified in the offer for the award.
- (iii) **Deferred Share Awards:** Deferred Share Awards are shares issued to employees:
 - i. who elect to receive shares in lieu of any wages, salary, director's fees, or other remuneration; or
 - ii. by the Company in its discretion, in addition to their wages, salary and remuneration, or in lieu of any discretionary cash bonus or other incentive payment; and
 - iii. that may be forfeited if vesting conditions specified in the offer are not satisfied.
- (iv) **Exempt Share Awards:** Exempt Share Awards are issues of shares for no consideration or an issue price which is at a discount to the market price with the intention that up to \$1,000 (or such other amount which is exempted from tax under the *Income Tax Assessment Act 1936* (Cth) from time to time) of the total value or discount received by each eligible employee will be exempt from tax.

(collectively, **Awards**).

(b) Eligible Employees

Awards may be granted to:

- (i) an employee to whom, or who falls within a class of employees to whom, the Board determines that an offer is to be made under the Plan; or

- (ii) an employee who satisfies the eligibility criteria (if any) determined by the Board for a proposed offer.

(c) Price

The Board has discretion to determine the issue price and/or exercise price for Awards.

(d) Vesting and exercise of Awards

The Awards held by a participant in the Plan will vest in and become exercisable by that participant upon the satisfaction of any vesting conditions specified in the offer and in accordance with the rules of the Plan. Vesting conditions may be waived at the absolute discretion of the Board (unless such waiver is excluded by the terms of the Award).

(e) Change of control

If a takeover bid is made to acquire all of the issued Shares of the Company, or a scheme of arrangement, selective capital reduction or other transaction is initiated which has an effect similar to a full takeover bid for Shares in the Company, then Participants are entitled to accept the takeover bid or participate in the other transaction in respect of all or part of their Awards other than Exempt Share Awards notwithstanding that the Restriction Period in respect of such Awards has not expired. The Board may, in its discretion, waive unsatisfied Vesting Conditions in relation to some or all Awards in the event of such a takeover or other transaction.

(f) Claw back

If any vesting conditions of an Award are mistakenly waived or deemed satisfied when in fact they were not satisfied, then in accordance with the terms of the Plan, the Board may determine that the relevant Awards expire and are incapable of being exercised (if not yet exercised), or it may otherwise recover from the relevant participant some or all shares issued upon exercise of the Awards or any proceeds received from the sale of those shares.

(g) Re-organisation of share capital

If, prior to the exercise of an Award, the Company undergoes a reorganisation of capital (other than by way of a bonus issue or issue for cash) the terms of the Awards of the participant will be changed to the extent necessary to comply with the Listing Rules as they apply at the relevant time.

1.4 Additional Information required by Listing Rule 14.1A

In the event that Shareholders do not approve Resolution 1, the Company may:

- (a) have less flexibility and options for remuneration of staff and key management personnel;
- (b) use its placement capacity under Listing Rule 7.1 to issue securities as remuneration or incentives for employees; and
- (c) seek Shareholder approval for issues of securities as remuneration or incentives to eligible participants.

1.5 Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 1 to approve the Equity Incentive Plan.

2. RESOLUTIONS 2(a)-(f) – ISSUES OF OPTIONS TO DIRECTORS

2.1 General

Under Resolutions 2(a)-(f), approval of Shareholders is sought pursuant to Listing Rule 10.14 for the issue of a total of 35,000,000 unlisted Options to Directors of the Company. Pursuant to Listing Rule 10.14 the Company may not issue securities to a related party without the prior approval of the shareholders.

Each of Resolutions 2(a)-(f) seeks shareholder approval in accordance with Listing Rule 10.14 in respect of a Company Director. If approval is given under Listing Rule 10.14, approval is not required under Listing Rule 7.1.

The Options to be issued pursuant to Resolutions 2(a)-2(f) are on the same terms as the Options proposed to be issued pursuant to Resolution 3.

2.2 Additional Information required by Listing Rule 10.15

Pursuant to Listing Rule 10.15, the Company provides the following information in respect to Resolutions 2(a)-2(f):

(a) Name of the person/s to whom the Company will issue the securities

- (i) In respect of Resolution 2(a) – Dr. Joe Wong or his nominee.
- (ii) In respect of Resolution 2(b) – Mr. Chen or his nominee.
- (iii) In respect of Resolution 2(c) – Mr. Jimmy Yang or his nominee.
- (iv) In respect of Resolution 2(d) – Mr. Sebastian Chang or his nominee.
- (v) In respect of Resolution 2(e) – Mr. David Low or his nominee.
- (vi) In respect of Resolution 2(f) – Mr. Peter Ng or his nominee.

(b) Category into which the person/s fall

Each of the persons specified in Resolutions 2(a)-(f) is a Director and related party of the Company.

(c) Number and class of securities to be issued

- (i) In respect of Resolution 2(a) – 5,000,000 Options.
- (ii) In respect of Resolution 2(b) – 7,500,000 Options.
- (iii) In respect of Resolution 2(c) – 7,500,000 Options.
- (iv) In respect of Resolution 2(d) – 5,000,000 Options.
- (v) In respect of Resolution 2(e) – 5,000,000 Options.
- (vi) In respect of Resolution 2(f) – 5,000,000 Options.

Each Options shall be exercisable for one Share in the Company.

(d) **Remuneration of Directors**

The proposed issues of Options the subject of Resolutions 2(a)-2(f) are intended as a long-term performance incentive. The details of the Directors' current annual remuneration packages are as follows:

- (i) In respect of Dr. Joe Wong – \$48,000.
- (ii) In respect of Mr. Chen – \$50,000.
- (iii) In respect of Mr. Jimmy Yang – \$150,000.
- (iv) In respect of Mr. Sebastian Chang – \$36,000.
- (v) In respect of Mr. David Low – \$36,000.
- (vi) In respect of Mr. Peter Ng – \$36,000.

(e) **Number of securities previously issued under the Equity Incentive Plan**

No securities have previously been issued to these Directors under the Equity Incentive Plan.

(f) **Summary of securities**

Each Option is exercisable at a price of \$0.045 (4.5 cents) for a period of three years from the date of issue. Any funds raised from the exercise of Options will be applied towards the Company's working capital requirements.

The full terms and conditions of the Options are detailed in Schedule 1.

The Options to be issued pursuant to Resolution 2(a)-2(f) have been valued by SLM Corporate Pty Ltd (**Independent Valuer**), an external consultant, using the Binomial Option Pricing Model. Details of the valuation are set out below at Section 2.3(c).

(g) **Date on which the securities will be issued**

If Resolutions 2(a)-2(f) are approved, the Options will be issued as soon as practicable and, in any event, no later than 3 years after the date of the Meeting.

(h) **Issue price**

The Options will be issued for no consideration.

(i) **Summary of the Equity Incentive Plan**

A summary of the terms of the Equity Incentive Plan are set out at Section 1.3.

(j) **Material terms of any loan**

A loan will not be made to the Directors for the issue of the Options.

(k) **Further disclosure**

Details of any securities issued under the Employee Incentive Plan will be published in the Company's annual report relating to the period in which the Options are issued, including a statement that approval was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Employee Incentive Plan after Resolutions 2(a)-2(f) are approved and who were not named in this Notice will not participate until approval is obtained under that rule.

(l) **Voting Exclusion Statement**

A voting exclusion statement for Resolutions 2(a)–2(f) is set out in the Notice.

2.3 Chapter 2E of the Corporations Act

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

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

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

Each of the persons subject of Resolutions 2(a)-2(f) is a Director, and consequently a related party of the Company and therefore the issue of Options to the Directors as proposed by Resolutions 2(a)-2(f) constitutes the giving of a financial benefit for the purposes of section 208 of the Corporations Act.

Pursuant to section 219 of the Corporations Act, the Company provides the following information in respect to Resolutions 2(a)-2(f):

(a) **Related parties**

The persons to whom securities are proposed to be issued pursuant to Resolutions 2(a)-(f), being each of:

- (i) Dr. Joe Wong;
- (ii) Mr. Chen;
- (iii) Mr. Jimmy Yang;
- (iv) Mr. Sebastian Chang;
- (v) Mr. David Low; and
- (vi) Mr. Peter Ng,

are Directors of the Company and are therefore the related parties to whom a financial benefit will be given under Resolutions 2(a)-(f).

(b) **Nature of the financial benefit**

The financial benefit being given to Directors pursuant to Resolutions 2(a)-(f) is the grant of Options as set out at Section 2.2(c) above, and on the same terms as the Options proposed to be issued pursuant to Resolution 3. The purpose of the issue is to remunerate Directors as an incentive for future services.

The Directors consider it important that the Company is able to attract and retain people of the highest calibre. The Directors consider that the most appropriate means of achieving this is to provide the Directors with an opportunity to participate in the Company's future growth and give them an incentive to contribute to that growth.

The issue of options as part of the remuneration packages of directors is a well-established practice of public listed companies and, in the case of the Company, has the benefit of conserving cash whilst rewarding directors, and incentivising high performance.

In determining the number of Options to be granted, consideration was given to the relevant experience of the Directors, the respective overall remuneration and the terms of the Options.

(c) Independent valuation of Options

The Company commissioned the Independent Valuer to provide an independent valuation in relation to the issue of Options proposed by Resolutions 2(a)-(f). An initial valuation was conducted as at 24 June 2020 (being the date the Options were agreed to be issued), and a subsequent valuation as at 28 August 2020 (to provide Shareholders with a more up to date valuation).

The intent of this Section 2.3(c) to provide Shareholders with all information that is reasonably required by Shareholders to decide whether or not it is in the Company's interests to pass Resolutions 2(a)-(f). The key findings and assumptions of the Independent Valuer's valuations of the Options to be issued pursuant to Resolutions 2(a)-(f) are set out below.

The Independent Valuer has assessed the value of each Option as \$0.01903 as at 24 June 2020 and \$0.07101 as at 28 August 2020. Using the assumptions set out the table below, the Independent Valuer has determined that the parcels of Options to be issued to Directors have the following values:

Director	Total Options	Value if all Options vest	Options applying non-market vesting conditions	Value of Options applying non-market vesting conditions
Dr. Joe Wong	5,000,000	\$95,150 as at 24 June 2020	2,000,000	\$38,060 as at 24 June 2020
		\$355,050 as at 28 August 2020		\$142,020 as at 28 August 2020
Mr. Chen	7,500,000	\$142,725 as at 24 June 2020	5,625,000	\$107,044 as at 24 June 2020
		\$532,575 as at 28 August 2020		\$399,431 as at 28 August 2020
Mr. Jimmy Yang	7,500,000	\$142,725 as at 24 June 2020	5,625,000	\$107,044 as at 24 June 2020
		\$532,575 as at 28 August 2020		\$399,431 as at 28 August 2020
Mr. Sebastian Chang	5,000,000	\$95,150 as at 24 June 2020	2,000,000	\$38,060 as at 24 June 2020
		\$355,050 as at 28 August 2020		\$142,020 as at 28 August 2020
Mr. David Low	5,000,000	\$95,150 as at 24 June 2020	2,000,000	\$38,060 as at 24 June 2020
		\$355,050 as at 28 August 2020		\$142,020 as at 28 August 2020
Mr. Peter Ng	5,000,000	\$95,150 as at 24 June 2020	2,000,000	\$38,060 as at 24 June 2020
		\$355,050 as at 28 August 2020		\$142,020 as at 28 August 2020

The Options have been valued using the Binomial Option Valuation Model. This valuation is based on the following variables and assumptions being considered:

Assumption/Variable	Description
The current share price of the underlying shares	<p>For each valuation of the Options and Performance Rights, the Independent Valuer referred to the market value of the Company's Shares. The prices used for the valuations were:</p> <p>Options valuations</p> <ul style="list-style-type: none"> • \$0.034, being the closing price of the Company's Shares on 24 June 2020 (being the date the Options were agreed to be issued); and • \$0.125, being the being the closing price of the Company's Shares on 28 August 2020. <p>Performance Rights valuations</p> <ul style="list-style-type: none"> • \$0.036, being the closing price of the Company's Shares on 1 July 2020 (being the date the Performance Rights were agreed to be issued); and • \$0.125, being the being the closing price of the Company's Shares on 28 August 2020.
The exercise price of the Options	<p>The exercise price of the Options being \$0.045 per Option, which is a:</p> <ul style="list-style-type: none"> • premium of 25% over the 30 days volume weighted average price of the Company's Shares up to 24 June 2020; • discount of 61% to the 30 days volume weighted average price of the Company's Shares up to 28 August 2020.
Non-market vesting conditions	<p>Service condition</p> <p>The Independent Valuer applied to the valuation of the Options and Performance Rights the following estimates (provided by the Company's management) of the proportions of Options and Performance Rights that will meet the continuous employment requirement for vesting:</p> <ul style="list-style-type: none"> • 75% of the Options and Performance Rights issued to Executive Directors Mr. Wee Min Chen and Mr. Jimmy Yang; and • 40% of the Options and Performance Rights issued to Non-Executive Directors Dr. Joe Wong, Mr. Sebastian Chang, Mr. David Low and Mr. Peter Ng; and • 75% of the Options and Performance Rights issued to other key staff members. <p>Performance condition</p> <p>The Independent Valuer applied to the valuation of the Performance Rights (the subject of Resolutions 4 and 5) the following estimates of the proportions of Performance Rights that will have their performance requirement for vesting met:</p> <ul style="list-style-type: none"> • 100% of Class A Performance Rights; and • 0% of Class B Performance Rights.

The volatility of the share price	<p>The Independent Valuer used the annualised volatility of the Company's closing Share price for the most recent 3 years up to and including each valuation date to approximate the current volatility of the Company's Shares. This is in line with the 3-year maturity of the Options. The volatility figures used were:</p> <p>Options valuations</p> <ul style="list-style-type: none"> • 218.19% (on the basis of the period up to 24 June 2020, the date on which the Options were agreed to be issued); and • 200.74% (on the basis of the period up to 28 August 2020). <p>Performance Rights valuations</p> <ul style="list-style-type: none"> • 214.87% (on the basis of the period up to 1 July 2020, the date on which the Performance Rights were agreed to be issued); and • 200.74% (on the basis of the period up to 28 August 2020).
The vesting conditions	The Options vest immediately upon issue. the Performance Rights vest subject to the conditions set out in section (b)(iv) of Schedule 2.
Time to maturity	The Options expire three years after the date of issue.
The risk-free rate of interest	<p>The Independent Valuer used the 3-year Australian Government Bond benchmark yield to determine the risk-free rate of interest. The rates used in the valuations were:</p> <p>Options valuations</p> <ul style="list-style-type: none"> • the rate as at 24 June 2020, being 0.274%; and • the rate as at 28 August 2020, being 0.280%; <p>Performance Rights valuations</p> <ul style="list-style-type: none"> • the rate as at 1 July 2020, being 0.270%; and • the rate as at 28 August 2020, being 0.280%.

(d) **Trading history**

At the close of trading on the date preceding the date of this Notice, the price of Shares in the Company was \$0.082. In the 12 months prior to the date of this Notice, the Shares in the Company traded at a high of \$0.220 on 10 August 2020 and a low of \$0.029 on 12, 20 and 23 March 2020.

(e) **Opportunity cost**

The Directors do not consider that there are any material opportunity costs to the Company or benefits foregone by the Company in issuing the Options pursuant to Resolutions 2(a)-(f).

(f) **Taxation consequences**

The Directors are not aware of any taxation consequences that will arise from the issue of Options pursuant to Resolutions 2(a)-(f).

(g) Directors' interests in Shares in the Company

The table below illustrates the following:

- (i) the first column sets out each Director in the Company;
- (ii) the second column sets out the relevant interest of each Director in Shares – no Director has any relevant interest in any other securities issued by the Company;
- (iii) the third column sets out the number of Options to be issued to each Director pursuant to Resolutions 2(a)-(f);
- (iv) the fourth column sets out the number of Performance Rights to be issued to Directors pursuant to Resolutions 4(a)-(d);
- (v) the fifth column sets out the relevant interest in Shares held by each Director if the Options issued to that Director pursuant to Resolutions 2(a)-(f) are exercised;
- (vi) the sixth column sets out the relevant interest in Shares held by each Director if the Performance Rights issued to that Director pursuant to Resolutions 4(a)-(d) vest and the Director is issued with a Share for each Performance Right;
- (vii) the seventh column sets out that if the Options are issued to that Director and that Director exercises all of their Options, and the Performance Rights are issued to that Director and all the Performance Rights vest and result in the issue of Shares to the Director, but none of the Options or Performance Rights held by the other Directors are exercised or vest, the total Shares on issue in the Company; and
- (viii) the eighth column sets out the Director's relevant interest percentage in the Shares of the Company if the Director exercises all of their Options and all of their Performance Rights vest, but none of the Options or Performance Rights held by the other Directors are exercised or vest.

Director	Current Relevant Interest in Shares	Options to be issued pursuant to Resolutions 2(a)-(f)	Performance Rights to be Issued Pursuant to Resolutions 4(a)-(d)	Total Shares:			% Relevant interest if all Options exercised and all Performance Rights vest ^[3] :
				If all Options exercised ^[1] :	If all Performance Rights vest ^[2] :	On Issue if all Options exercised and Performance Rights vested ^[3] :	
Dr. Wong	80,000	5,000,000	10,000,000	5,080,000	10,080,000	760,666,435	1.98%
Mr. Chen	46,150,948	7,500,000	25,000,000	53,650,948	71,150,948	778,166,435	10.11%
Mr. Yang	Nil.	7,500,000	25,000,000	7,500,000	25,000,000	778,166,435	4.18%
Mr. Chang	2,111,320	5,000,000	10,000,000	7,111,320	12,111,320	760,666,435	2.25%
Mr. Low	180,000	5,000,000	Nil.	5,180,000	Nil.	750,666,435	0.69%
Mr. Ng	1,500,000	5,000,000	Nil.	6,500,000	1,500,000	750,666,435	0.867%

[1] In each case, this assumes that none of the Options issued to other Directors or to other parties are exercised, no Performance Rights issued to Directors or other parties vest, and no existing convertible notes are converted.

[2] In each case, this assumes that none of the Options are exercised, no Performance Rights issued to other Directors or other parties vest, and no existing convertible notes are converted.

[3] In each case, this assumes that none of the Options issued to other Directors or to other parties are exercised, no Performance Rights issued to other Directors or other parties vest, and no existing convertible notes are converted.

(h) **Directors remuneration**

Details of the Directors' current annual remuneration packages are set out above at Section 2.2(d).

(i) **Dilution**

If the 35,000,000 Options proposed to be issued pursuant to Resolutions 2(a)-(f) are issued and exercised, the effect on the Company's Shares would be to increase the number from 745,656,435 to 780,656,435, resulting in a dilution to existing shareholders of 4.48%.

2.4 Voting Prohibition

In accordance with section 224 of the Corporations Act, a person appointed as a proxy must not vote on these Resolutions if:

(a) the proxy is either:

- (i) a member of the key management personnel; or
- (ii) a closely related party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

(c) the proxy is the chair; and

(d) the appointment expressly authorises the chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

2.5 Additional Information required by Listing Rule 14.1A

In the event that Shareholders do not approve any of the issues of Options under Resolutions 2(a)-(f), the Company may need to consider other alternatives for remuneration of Directors.

2.6 Board Recommendation

Since all the Directors are being issued Options, they do not make a recommendation with respect to Resolutions 2(a)-2(f) due to the material personal interest in the subject matter of Resolutions 2(a)-(f).

3. RESOLUTION 3 – ISSUE OF OPTIONS TO COMPANY SECRETARY

3.1 Background

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the total number of fully paid ordinary securities on issue 12 months before the date of the issue, except where an exception applies or with prior approval of members of the Company at a general meeting.

For the purposes of Listing Rule 7.1, Resolution 3 seeks Shareholder approval to issue unlisted Options to the Company Secretary, Mr. Andrew Metcalfe pursuant to the Equity Incentive Plan. The Company is seeking approval of Shareholders pursuant to Resolution 3 to provide it with flexibility to undertake the issue of Options without using the Company's placement capacity pursuant to Listing Rule 7.1.

The Options to be issued pursuant to this Resolution 3 are on the same terms as the Options proposed to be issued pursuant to Resolutions 2(a)-2(f).

3.2 Additional Information required by Listing Rule 7.3

Pursuant to Listing Rule 7.3, the Company provides the following information in relation to the proposed issue of the Options:

(a) **Name of the person/s to whom the Company will issue the securities**

The Options will be issued to Mr Andrew Metcalfe, the Company Secretary, or his nominee.

(b) **Number and class of securities the Company will issue**

If Resolution 3 is approved, 3,000,000 Options will be issued.

(c) **Terms of the securities**

The Options will be issued as a long-term performance incentive for no consideration, will have an exercise price of \$0.045 (4.5 cents), and will expire three years after the date of their issue. Each Option will be able to be exercised to acquire one Share in the Company which will rank equally in all respects with all other Shares that the Company has then on issue. The full terms and conditions of the Options are set out in Schedule 1.

The Options are being issued pursuant to the Equity Incentive Plan, a summary of which is set out in Section 1.3.

(d) **Date on which the Company will issue the securities**

If Resolution 3 is approved, the Options will be issued as soon as practicable and, in any event, no later than three months after the date of the Meeting.

(e) **Issue price of the securities**

No consideration will be received from the issue of the Options.

(f) **Purpose of issue and use of funds**

The Options are issued as a long-term performance incentive. Any funds raised from the exercise of Options will be applied towards the Company's working capital requirements.

3.3 Additional Information required by Listing Rule 14.1A

If Shareholders do not approve Resolution 3 and:

(a) Resolution 1 is approved, then the Company intends to issue the relevant Options in accordance with Exception 13 of Listing Rule 7.2; or

(b) Resolution 1 is not approved, then the Company intends to issue the relevant Options under its placement capacity under Listing Rule 7.1.

3.4 Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 3 for the issue of Options to Andrew Metcalfe.

4. RESOLUTIONS 4(a)-(d) – ISSUES OF PERFORMANCE RIGHTS TO DIRECTORS

4.1 General

Under Resolutions 4(a)-(d), approval of Shareholders is sought pursuant to Listing Rule 10.14 for the issue of a total of 70,000,000 unlisted Performance Rights to Directors of the Company. Pursuant to Listing Rule 10.14 the Company may not issue securities to a director under an employee incentive scheme without the prior approval of the shareholders.

Each of Resolutions 4(a)-(d) seeks shareholder approval in accordance with Listing Rule 10.14 in respect of a Company Director. If approval is given under Listing Rule 10.14, approval is not required under Listing Rule 7.1.

The Performance Rights are issued as a long-term incentive. It is proposed that each Director receive a number of a 'Class A' Performance Rights, and a number of 'Class B' Performance Rights, as specified below. Subject to the satisfaction of the relevant performance milestone prior to the expiry date and other conditions, the Performance Rights will vest, and each become exercisable for one Share in the Company.

The full terms and conditions of the Class A and Class B Performance Rights are set out in Schedule 2.

The Performance Rights to be issued pursuant to Resolutions 4(a)-(d) are on the same terms as the Performance Rights proposed to be issued pursuant to Resolutions 5 and 6.

4.2 Additional Information required by Listing Rule 10.15

Pursuant to Listing Rule 10.15, the Company provides the following information in respect to Resolutions 4(a)-4(d):

(a) **Name of the person/s to whom the Company will issue the securities**

- (i) In respect of Resolution 4(a) – Dr. Joe Wong.
- (ii) In respect of Resolution 4(b) – Mr. Chen.
- (iii) In respect of Resolution 4(c) – Mr. Jimmy Yang.
- (iv) In respect of Resolution 4(d) – Mr. Sebastian Chang.

(b) **Category into which the person/s fall**

Each of the persons specified in Resolutions 4(a)-(d) is a Director and related party of the Company.

(c) **Number and class of securities to be issued**

- (i) In respect of Resolution 4(a) – 5,000,000 Class A Performance Rights and 5,000,000 Class B Performance Rights.
- (ii) In respect of Resolution 4(b) – 12,500,000 Class A Performance Rights and 12,500,000 Class B Performance Rights.
- (iii) In respect of Resolution 4(c) – 12,500,000 Class A Performance Rights and 12,500,000 Class B Performance Rights.
- (iv) In respect of Resolution 4(d) – 5,000,000 Class A Performance Rights and 5,000,000 Class B Performance Rights.

Each vested Performance Right shall be exercisable for one Share in the Company.

(d) Remuneration of Directors

The proposed issues of Performance Rights the subject of Resolutions 4(a)-(d) are intended as a long-term performance incentive. The details of the Directors' current annual remuneration packages are set out at Section 2.2(d).

(e) Number of securities previously issued under the Equity Incentive Plan

No securities have previously been issued to these Directors under the Equity Incentive Plan.

(f) Summary of securities

The Performance Rights will be issued for no consideration as a long-term incentive and have a nil exercise price.

Class A Performance Rights will vest upon the Company achieving monthly revenue of at least RM7,000,000 (approximately AU\$2,520,000) for 3 successive months. For the period July to December 2019, the Company's revenue was AU\$5,259,479 (equivalent to RM14,726,541 or monthly average of RM2,454,424). The Class A Performance Right milestone of RM7,000,000 per month therefore represents approximately 185% above previous sales revenue. For the purposes of this vesting condition, "monthly revenue":

- (i) means the monthly total sales achieved by VIP Glove Sdn Bhd, the current main operating subsidiary of the Group in Malaysia. It denotes total sales value generated for a particular calendar month; i.e. total number of gloves sold multiply by unit selling price. All sales orders are organised and documented in its accounting software, and at each month-end, the Company generates the "Invoice Listing With Detail" report for management's review; and
- (ii) will be determined by the auditors of VIP Glove Sdn Bhd.

Class B Performance Rights will vest upon the Company achieving total nitrile gloves production capacity above 70,000,000 pieces per month. As at 1 May 2020, total production capacity for nitrile gloves was approximately 35,000,000 pieces per month based on two (2) Double-Former lines installed since August 2016. The Class B Performance Right milestone of 70,000,000 pieces per month therefore represents 2 times existing production capacity. For the purposes of this vesting condition, "production capacity":

- (i) means increased in nitrile gloves production capacity via installation of additional new Former lines; and
- (ii) will be determined by the machinery supplier as well as the auditors of VIP Glove Sdn Bhd based on the records of monthly quantity of gloves produced.

The above performance milestones are to be achieved by three years after the issue of the Performance Rights. If they are not achieved by that date, the Performance Rights will lapse.

The full terms and conditions of the Class A and Class B Performance Rights are detailed in Schedule 2.

The Company has determined that monthly revenue and production capacity is an appropriate milestone for the Class A and Class B Performance Rights as the ability to generate improved sales lies predominately to the management's ability to churn in higher production capacity, sustainable customer base as well as better selling prices. These require hard work, persistence and management acumen across the organisation. These combined elements are crucial to generate stronger Revenue,

leading to improved profit margins and profitability, which in turn enhance VIP's shareholders values.

The Management adopted a three (3) months' sustainable revenue as one of the milestones to demonstrate its management consistency and revenue sustainability of their efforts. For the July – Dec 2019 1H FY2020 financial performance announcement, VIP recorded A\$5.259 million in Group Revenue (equivalent to RM14.727 million), or monthly average Revenue of RM2.455 million. The Class A target milestone of RM7 million revenue per month denotes a 285% improvement (2.85 times).

Since VIP ventured into downstream nitrile glove production in 2016, its production capacity was stagnated at about 35 million pieces/month and up to 51 million pieces/month with recent expansion. In order to make VIP a significant player in the glove industry, continuous expansion of new productive capacities are required to expand its clientele base, and revenue growth prospects. The Class B target milestone of 70.0 million pieces per month represents a doubling of VIP's original capacity. Raising production capacity requires detailed planning, deliberation and effective decision-making process by the Board Members and Key Management team. Moreover, the Top Management would need to monitor closely its cashflow management and the construction process of the new production lines.

The Performance Rights to be issued pursuant to Resolutions 4(a)-(d) have been valued by the Independent Valuer using the Binomial Option Pricing Model. Details of the valuation are set out in Section 4.3(c) below.

(g) Date on which the securities will be issued

If Resolutions 4(a)-(d) are approved, the Performance Rights will be issued as soon as practicable and, in any event, no later than 3 years after the date of the Meeting.

(h) Issue price

The Performance Rights will be issued for no consideration.

(i) Summary of the Equity Incentive Plan

A summary of the terms of the Equity Incentive Plan are set out at Section 1.3.

(j) Material terms of any loan

A loan will not be made to the Directors for the issue of the Performance Rights.

(k) Further disclosure

Notwithstanding Dr Joe Wong and Mr Sebastian Chang are designated as Non-Executive Directors, they are members of the Company Executive Committee (EXCO) which currently meets every week to review the financial and operations of the Company. In addition, the Company is currently undergoing rapid expansion of its business and production facility. Dr Wong and Mr Sebastian Chang with their varied corporate background provide valuable inputs and advice on corporate and financial management of VIP including capital management for the proposed expansion. Hence, their views are also crucial to the smooth and successful management of the Company and accordingly contributes to the success of the Company. Accordingly, they have been offered Performance Rights.

Details of any securities issued under the Employee Incentive Plan will be published in the Company's annual report relating to the period in which the Performance Rights are issued, including a statement that approval was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Employee Incentive Plan after Resolutions

4(a)-(d) are approved and who were not named in this Notice will not participate until approval is obtained under that rule.

(l) **Voting Exclusion Statement**

A voting exclusion statement for Resolutions 4(a) – 4(d) is set out in the Notice.

4.3 Chapter 2E of the Corporations Act

Information regarding Chapter 2E of the Corporations Act is set out at Section 2.3.

Each of the persons subject of Resolutions 4(a)-(d) is a Director, and consequently a related party of the Company and therefore the issue of Performance Rights to the Directors as proposed by Resolutions 4(a)-(d) constitutes the giving of a financial benefit for the purposes of section 208 of the Corporations Act.

Pursuant to section 219 of the Corporations Act, the Company provides the following information in respect to Resolutions 4(a)-4(d):

(a) **Related parties**

The persons to whom securities are proposed to be issued pursuant to Resolutions 4(a)-(d), being each of:

- (i) Dr. Joe Wong;
- (ii) Mr. Chen;
- (iii) Mr. Jimmy Yang; and
- (iv) Mr. Sebastian Chang,

are Directors of the Company and are therefore the related parties to whom a financial benefit will be given under Resolutions 4(a)-(d).

(b) **Nature of the financial benefit**

The financial benefit being given to Directors pursuant to Resolutions 4(a)-(d) is the grant of Class A and Class B Performance Rights in the amounts set out at Section 4.2(c) above, and on the terms set out in Schedule 2. The purpose of the issue is to remunerate Directors as an incentive for future services.

Further information regarding the purpose of giving the financial benefit to the Directors is set out at Section 2.3(b).

In determining the number of Performance Rights to be granted, consideration was given to the relevant experience of the Directors, the respective overall remuneration and the terms of the Performance Rights.

(c) **Independent valuation of Performance Rights**

The Company commissioned the Independent Valuer to provide an independent valuation in relation to the issue of Performance Rights proposed by Resolutions 4(a)-(d). An initial valuation was conducted as at 1 July 2020 (being the date the Performance Rights were agreed to be issued), and a subsequent valuation as at 28 August 2020 (to provide Shareholders with a more up to date valuation).

The intent of this Section 4.3(c) to provide Shareholders with all information that is reasonably required by Shareholders to decide whether or not it is in the Company's interests to pass Resolutions 4(a)-(d). The key findings and assumptions of the

Independent Valuer's valuation of the Performance Rights to be issued pursuant to Resolutions 4(a)-(d) are set out below.

The Independent Valuer has assessed the value of each Performance Right as \$0.036 as at 1 July 2020 and \$0.125 as at 28 August 2020. The Performance Rights have been valued using the Binomial Option Valuation Model, based on the same variables and assumptions set out at Section 2.3(c). Applying these assumptions, the Independent Valuer has determined that the parcels of Performance Rights to be issued to Directors have the following values:

Director	Total Performance Rights	Value if all Performance Rights vest	Performance Rights applying non-market vesting and performance conditions	Value of Performance Rights applying non-market vesting and performance conditions
Dr. Joe Wong	10,000,000	\$360,000 as at 1 July 2020	2,000,000	\$72,000 as at 1 July 2020
		\$1,250,000 as at 28 August 2020		\$250,000 as at 28 August 2020
Mr. Chen	25,000,000	\$900,000 as at 1 July 2020	9,375,000	\$337,500 as at 1 July 2020
		\$3,125,000 as at 28 August 2020		\$1,171,875 as at 28 August 2020
Mr. Jimmy Yang	25,000,000	\$900,000 as at 1 July 2020	9,375,000	\$337,500 as at 1 July 2020
		\$3,125,000 as at 28 August 2020		\$1,171,875 as at 28 August 2020
Mr. Sebastian Chang	10,000,000	\$360,000 as at 1 July 2020	2,000,000	\$72,000 as at 1 July 2020
		\$1,250,000 as at 28 August 2020		\$250,000 as at 28 August 2020

(d) Trading history

Details of the trading history of the Company's Shares are set out above at Section 2.3(d).

(e) Opportunity cost

The Directors do not consider that there are any material opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights pursuant to Resolutions 4(a)-(d).

(f) Taxation consequences

The Directors are not aware of any taxation consequences that will arise from the issue of Performance Rights pursuant to Resolutions 4(a)-(d).

(g) **Directors' interests in Shares in the Company**

Details of the Directors' relevant interests in the Company are set out above at Section 2.3(g).

(h) **Directors remuneration**

Details of the Directors' current annual remuneration packages are set out above at Section 2.2(d).

(i) **Dilution**

If the 70,000,000 Performance Rights proposed to be issued pursuant to Resolutions 4(a)-(d) are issued and exercised, the effect on the Company's Shares would be to increase the number from 745,656,435 to 815,656,435, resulting in a dilution to existing shareholders of 8.58%.

4.4 Voting Prohibition

In accordance with section 224 of the Corporations Act, a person appointed as a proxy must not vote on these Resolutions if:

(a) the proxy is either:

- (i) a member of the key management personnel; or
- (ii) a closely related party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

(c) the proxy is the chair; and

(d) the appointment expressly authorises the chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

4.5 Additional Information required by Listing Rule 14.1A

In the event that Shareholders do not approve any of the issues of Performance Rights under Resolutions 4(a)-(d), the Company may need to consider other alternatives for remuneration of Directors.

4.6 Board Recommendation

Mr. David Low and Mr. Peter Ng, the Directors who are not proposed to be issued Performance Rights pursuant to Resolutions 4(a)-(d), recommend that Shareholders vote in favour of Resolutions 4(a)-(d) to approve the issue of Performance Rights to the Directors.

The other Directors do not make a recommendation with respect to Resolutions 4(a)-(d) due to the material personal interest in the subject matter of Resolutions 4(a)-(d).

5. RESOLUTIONS 5(a)-(c) – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTY EMPLOYEES

5.1 General

Under Resolutions 5(a)-(c), approval of Shareholders is sought pursuant to Listing Rule 10.14 for the issue of a total of 2,960,000 unlisted Performance Rights to three daughters of Mr. Wee Min Chen, a Director of the Company. Pursuant to Listing Rule 10.14 the Company

may not issue securities to certain persons under an employee incentive scheme without the prior approval of the shareholders.

Each of Resolutions 5(a)-(c) seeks shareholder approval in accordance with Listing Rule 10.14 in respect of these persons. If approval is given under Listing Rule 10.14, approval is not required under Listing Rule 7.1.

The Performance Rights are issued as a long-term incentive. It is proposed that each recipient receive a number of a 'Class A' Performance Rights, and a number of 'Class B' Performance Rights, as specified below. Subject to the satisfaction of the relevant performance milestone prior to the expiry date and other conditions, the Performance Rights will vest and each become exercisable for one Share in the Company.

The full terms and conditions of the Class A and Class B Performance Rights are set out in Schedule 2.

The Performance Rights to be issued pursuant to Resolutions 5(a)-(c) are on the same terms as the Performance Rights proposed to be issued pursuant to Resolutions 4 and 6.

5.2 Additional Information required by Listing Rule 10.15

Pursuant to Listing Rule 10.15, the Company provides the following information in respect to Resolutions 5(a)-4(c):

(a) Name of the person/s to whom the Company will issue the securities

- (i) In respect of Resolution 5(a) – Kay Wen Chen.
- (ii) In respect of Resolution 5(b) – Kay Shing Chen.
- (iii) In respect of Resolution 5(c) – Ee Theng Chen.

(b) Category into which the person/s fall

Each of the persons specified in Resolutions 5(a)-(c) is a daughter of Mr. Wee Min Chen, a Director of the Company. Whilst the recipients are not an associate of that Director, shareholder approval is nonetheless being sought for the purposes of Listing Rule 10.14.

(c) Number and class of securities to be issued

- (i) In respect of Resolution 5(a) – 775,000 Class A Performance Rights and 775,000 Class B Performance Rights.
- (ii) In respect of Resolution 5(b) – 305,000 Class A Performance Rights and 305,000 Class B Performance Rights.
- (iii) In respect of Resolution 5(c) – 400,000 Class A Performance Rights and 400,000 Class B Performance Rights.

Each vested Performance Right shall be exercisable for one Share in the Company.

(d) Remuneration of Directors

The details of Mr. Wee Min Chen's current annual remuneration packages is set out at Section 2.2(d).

(e) **Number of securities previously issued under the Equity Incentive Plan**

No securities have previously been issued to these recipients under the Equity Incentive Plan.

(f) **Summary of securities**

The Performance Rights will be issued for no consideration as a long-term incentive and have a nil exercise price.

A summary of the Class A and Class B Performance Rights are set out in Section 4.2(f).

The above performance milestones are to be achieved by three years after the issue of the Performance Rights. If they are not achieved by that date, the Performance Rights will lapse.

The full terms and conditions of the Class A and Class B Performance Rights are detailed in Schedule 2.

The Performance Rights to be issued pursuant to Resolutions 5(a)-(c) have been valued by the Independent Valuer using the Binomial Option Pricing Model. Details of the valuation are set out in Section 5.3(c) below.

(g) **Date on which the securities will be issued**

If Resolutions 5(a)-(c) are approved, the Performance Rights will be issued as soon as practicable and, in any event, no later than 3 years after the date of the Meeting.

(h) **Issue price**

The Performance Rights will be issued for no consideration.

(i) **Summary of the Equity Incentive Plan**

A summary of the terms of the Equity Incentive Plan are set out at Section 1.3.

(j) **Material terms of any loan**

A loan will not be made to the Directors for the issue of the Performance Rights.

(k) **Further disclosure**

Details of any securities issued under the Employee Incentive Plan will be published in the Company's annual report relating to the period in which the Performance Rights are issued, including a statement that approval was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Employee Incentive Plan after Resolutions 5(a)-(c) are approved and who were not named in this Notice will not participate until approval is obtained under that rule.

(l) **Voting Exclusion Statement**

A voting exclusion statement for Resolutions 5(a)-(c) is set out in the Notice.

5.3 Chapter 2E of the Corporations Act

Information regarding Chapter 2E of the Corporations Act is set out at Section 2.3.

Each of the persons subject of Resolutions 5(a)-(c) is a daughter of Mr. Wee Min Chen, the father of the recipients (and a Director), and consequently a related party of the Company and therefore the issue of Performance Rights to the recipients as proposed by

Resolutions 5(a)-(c) constitutes the giving of a financial benefit for the purposes of section 208 of the Corporations Act.

Pursuant to section 219 of the Corporations Act, the Company provides the following information in respect to Resolutions 5(a)-4(c):

(a) Related parties

The persons to whom securities are proposed to be issued pursuant to Resolutions 5(a)-(c), being each of:

- (i) Ms Kay Wen Chen;
- (ii) Ms Kay Shing Chen; and
- (iii) Ms Ee Theng Chen,

are each a daughter of a Director of the Company and are therefore the related parties to whom a financial benefit will be given under Resolutions 5(a)-(c).

(b) Nature of the financial benefit

The financial benefit being given to the recipients pursuant to Resolutions 5(a)-(c) is the grant of Class A and Class B Performance Rights in the amounts set out at Section 4.2(c) above, and on the terms set out in Schedule 2. The purpose of the issue is to remunerate these recipients as an incentive for future services.

The financial benefit being given to the recipients pursuant to Resolutions 5(a)-(c) is the grant of Performance Rights as set out at Section 5(c) above, and on the same terms as the performance Rights proposed to be issued pursuant to Resolution 4 and 6. The purpose of the issue is to remunerate the recipients as an incentive for future services.

The Directors consider it important that the Company is able to attract and retain people of the highest calibre. The Directors consider that the most appropriate means of achieving this is to provide the recipients with an opportunity to participate in the Company's future growth and give them an incentive to contribute to that growth.

The issue of performance rights as part of the remuneration packages of staff is a well-established practice of public listed companies and, in the case of the Company, has the benefit of conserving cash whilst rewarding the recipients, and incentivising high performance.

In determining the number of Performance Rights to be granted, consideration was given to the relevant experience of the recipients, the respective overall remuneration and the terms of the Performance Rights.

(c) Independent valuation of Performance Rights

The Company commissioned the Independent Valuer to provide an independent valuation in relation to the issue of Performance Rights proposed by Resolutions 5(a)-(c). An initial valuation was conducted as at 1 July 2020 (being the date the Performance Rights were agreed to be issued), and a subsequent valuation as at 28 August 2020 (to provide Shareholders with a more up to date valuation).

The intent of this Section 5.4(c) to provide Shareholders with all information that is reasonably required by Shareholders to decide whether or not it is in the Company's interests to pass Resolutions 5(a)-(c). The key findings and assumptions of the Independent Valuer's valuation of the Performance Rights to be issued pursuant to Resolutions 5(a)-(c) are set out below.

The Independent Valuer has assessed the value of each Performance Right as \$0.036 as at 1 July 2020 and \$0.125 as at 28 August 2020. The Performance Rights have been valued using the Binomial Option Valuation Model, based on the same variables and assumptions set out at Section 2.3(c). Applying these assumptions, the Independent Valuer has determined that the parcels of Performance Rights to be issued to the recipients have the following values:

Recipient	Total Performance Rights	Value if all Performance Rights vest	Performance Rights applying non-market vesting and performance conditions	Value of Performance Rights applying non-market vesting and performance conditions
Kay Wen Chen	1,550,000	\$55,800 as at 1 July 2020	581,250	\$20,925 as at 1 July 2020
		\$193,750 as at 28 August 2020		\$72,656 as at 28 August 2020
Kay Shing Chen	610,000	\$21,960 as at 1 July 2020	228,750	\$8,235 as at 1 July 2020
		\$76,250 as at 28 August 2020		\$28,594 as at 28 August 2020
Ee Theng Chen	800,000	\$28,800 as at 1 July 2020	300,000	\$10,800 as at 1 July 2020
		\$100,000 as at 28 August 2020		\$37,500 as at 28 August 2020

(d) Trading history

Details of the trading history of the Company's Shares are set out above at Section 2.3(d).

(e) Opportunity cost

The Directors do not consider that there are any material opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights pursuant to Resolutions 5(a)-(c).

(f) Taxation consequences

The Directors are not aware of any taxation consequences that will arise from the issue of Performance Rights pursuant to Resolutions 5(a)-(c).

(g) Recipients' interests in Shares in the Company

The recipients do not currently have a relevant interest in any securities of the Company.

Details of the Mr. Wee Min Chen's relevant interests in the Company are set out above at Section 2.3(g).

(j) **Directors remuneration**

Details of the Directors' current annual remuneration packages are set out above at Section 2.2(d).

(k) **Dilution**

If the 2,960,000 Performance Rights proposed to be issued pursuant to Resolutions 5(a)-(c) are issued and exercised, the effect on the Company's Shares would be to increase the number from 745,656,435 to 748,616,435, resulting in a dilution to existing shareholders of 0.40%.

5.4 Voting Prohibition

In accordance with section 224 of the Corporations Act, a person appointed as a proxy must not vote on these Resolutions if:

(a) the proxy is either:

- (i) a member of the key management personnel; or
- (ii) a closely related party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

(c) the proxy is the chair; and

(d) the appointment expressly authorises the chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

5.5 Additional Information required by Listing Rule 14.1A

In the event that Shareholders do not approve any of the issues of Performance Rights under Resolutions 5(a)-(c), the Company may need to consider other alternatives for remuneration of the recipients.

5.6 Board Recommendation

The Directors other than Mr. Wee Min Chen recommend that Shareholders vote in favour of Resolutions 5(a)-(c) to approve the issue of Performance Rights to the recipients.

Mr. Wee Min Chen does not make a recommendation with respect to Resolutions 5(a)-(c) due to the material personal interest in the subject matter of Resolutions 5(a)-(c).

6. RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS TO NON-RELATED EMPLOYEES OF THE COMPANY

6.1 Background

For the purposes of Listing Rule 7.1, Resolution 6 seeks Shareholder approval to issue a total of 3,520,000 Class A and 3,520,000 Class B Performance Rights to employees of the Company as a long-term performance incentive pursuant to the Equity Incentive Plan. See Section 4.1 above for details of the Performance Rights. The full terms and conditions of the Performance Rights are set out in Schedule 2.

The Performance Rights to be issued pursuant to this Resolution 6 are on the same terms as the Performance Rights proposed to be issued pursuant to Resolutions 4(a)-(d) and 5(a)-(c).

6.2 Additional Information required by Listing Rule 7.3

Pursuant to Listing Rule 7.3, the Company provides the following information in relation to the proposed issue of Performance Rights to employees of the Company:

(a) **Name of the person/s to whom the Company will issue the securities**

7,040,000 Performance Rights will be issued to 21 employees or their nominees, each being an employee of the Company other than key management personnel and not a related party of the Company., whilst the balance of 2,960,000 will be issued to the following employees who are related parties of the Company as set out in Resolutions 5(a)-(c).

(b) **Number and class of securities the Company will issue**

If Resolution 6 is approved, a total of 7,040,000 Performance Rights will be issued. Each vested Performance Right shall be exercisable for one Share in the Company.

(c) **Terms of the securities**

The Performance Rights will vest on satisfaction of set performance criteria and will expire after a period of three years from the date of their issue.

The above performance milestones are to be achieved by three years after the issue of the Performance Rights. If they are not achieved by that date, the Performance Rights will lapse.

The full terms and conditions of the Class A and Class B Performance Rights are detailed in Schedule 2.

The Performance Rights are being issued pursuant to the Equity Incentive Plan, a summary of which is set out in Section 1.3.

(d) **Date on which the Company will issue the securities**

If Resolution 6 is approved, the Performance Rights will be issued as soon as practicable and, in any event, no later than three months after the date of the Meeting.

(e) **Issue price of the securities**

No consideration will be received from the issue or exercise of the Performance Rights, which are issued to employees as a long-term performance incentive. Performance Rights will vest subject to satisfaction of applicable conditions and become exercisable for nil consideration.

(f) **Purpose of issue and use of funds**

No funds will be raised from the issue and exercise of Performance Rights.

6.3 Additional Information required by Listing Rule 14.1A

If Shareholders do not approve Resolution 6 and:

(a) Resolution 1 is approved, then the Company intends to issue the relevant Options in accordance with Exception 13 of Listing Rule 7.2; or

(b) Resolution 1 is not approved, then the Company intends to issue the relevant Options under its placement capacity under Listing Rule 7.1.

6.4 Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 6 for the issue of Performance Rights to employees as set out in this Resolution.

7. RESOLUTIONS 7(a)-(d) – RATIFICATION OF PRIOR SHARE ISSUES

7.1 Background

Each of Resolutions 7(a)-(d) relates to the ratification of a prior issue of 95,247,906 Shares by the Company. These Shares include the following:

- (a) 1,266,436 ordinary shares issued at \$0.0289 per share on 30 December 2019 on conversion of debt to equity to a creditor who is not a related party;
- (b) 3,787,221 ordinary shares issued at \$0.0289 per share on 14 May 2020 on conversion of debt to equity to a creditor who is not a related party; and
- (c) 13,690,475 ordinary shares issued at \$0.03 per share on 24 June 2020 on conversion of debt to equity to a creditor who is not a related party, and
- (d) 76,503,774 ordinary shares issued at \$0.03 per share on 24 June 2020 to 9 investors who are not a related party.

The above Shares being the “**Past Placement Shares**”.

The issue of the above shares by the Company, undertaken without Shareholder approval, was in compliance with Listing Rule 7.1 at the time of the allotment.

7.2 Requirements under Listing Rules

Listing Rule 7.4 permits a listed company at a general meeting to subsequently approve an issue of securities made without prior shareholder approval under Listing Rule 7.1. Resolutions 7(a)-(d) have been included in this Notice of Meeting to preserve the Company's ability to issue further securities under Listing Rule 7.1.

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the total number of fully paid ordinary securities on issue 12 months before the date of the issue, except where an exception applies or with prior approval of members of the Company at a general meeting.

As such, each of Resolutions 7(a)- (d) seeks Shareholders approval for the ratification of the Shares issued.

7.3 Additional Information required by Listing Rule 7.5

Pursuant to Listing Rule 7.5 and to enable the Shareholders to approve the issue of the Past Placement Shares, Shareholders are provided with the following information in respect of Resolutions 7(a)-(d):

- (a) **Name of the person/s to whom the Company issued the securities; number and class of securities issued; date on which the securities were issued; issue price or consideration received; and purpose and use of funds.**
 - (i) Lee Kah Wai received 1,266,436 ordinary shares issued at \$0.0289 per share on 30 December 2019. The shareholder is not a related party and the issue of securities was in lieu of a debt owed by VIP Glove Sdn Bhd (a 100% subsidiary of the Company) to the creditor. No new capital was received for the issue of Shares.

- (ii) Hu Wang received 3,787,221 ordinary shares issued at \$0.0289 per share on 14 May 2020. The shareholder is not a related party and the issue of securities was in lieu of a debt owed by VIP Glove Sdn Bhd (a 100% subsidiary of the Company) to the creditor. No new capital was received for the issue of Shares.
- (iii) Lee Choong Choy received 13,690,475 ordinary shares issued at \$0.03 per share on 24 June 2020. The shareholder is not a related party and the issue of securities was in lieu of a debt owed by VIP Glove Sdn Bhd (a 100% subsidiary of the Company) to the creditor. No new capital was received for the issue of Shares.
- (iv) The following investors received in aggregate 76,503,774 ordinary shares issued at \$0.03 per share on 24 June 2020: Endless Earnings Sdn Bhd, Wong Kok Seong, Tee Keong Ming, Lee Theng Swee, Koh Boon Seng, Wong Mun Tin, Chang Kim Seng, Hiew Yee Mun, Lee Choong Choy. Each investor is not a related party and the funds received were used to continue the expansion of the Company's glove line operations and provide additional working capital.

The Company notes the following in relation to certain shareholders set out above:

- (i) Lee Choong Choy is a substantial shareholder of the Company, where details of his shareholding are set out in a notice of initial substantial shareholder released to ASX on 14 July 2020; and
- (ii) Endless Earnings Sdn Bhd is a substantial shareholder of the Company, where details of its shareholding are set out in a notice of initial substantial shareholder released to ASX on 14 July 2020.

(b) Terms of the securities

The Shares rank equally in all respects with all other Shares that the Company has on issue.

(c) Voting Exclusion Statement

A voting exclusion statement for Resolutions 7(a) - (d) is set out in the Notice.

7.4 Additional Information required by Listing Rule 14.1A

If Shareholders do not ratify the issue of the Past Placement Shares pursuant to Resolution 7, the Company's placement capacity under Listing Rule 7.1 will be reduced by the amount of the Past Placement Shares.

7.5 Board Recommendation

The Board recommends that shareholders approve the past issue of the Past Placement Shares as proposed by Resolutions 7(a)-(d).

8. ENQUIRIES

Shareholders are required to contact the Company Secretary on andrew@accosec.com or on +61 (3) 9867 7199 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ or **AU\$** means Australian dollars.

associate has the meaning given to it in the Listing Rules.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691).

Board means the current board of directors of the Company.

Company means VIP Gloves Limited (ACN 057 884 876).

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

Director means a current director of the Company, and **Directors** has the corresponding meaning.

Equity Incentive Plan has the meaning given in Section 1.1.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Independent Valuer means SLM Corporate Pty Ltd (ACN 088 664 680).

Listing Rules means the Listing Rules of ASX and **Listing Rule** has the corresponding meaning.

Meeting means the meeting convened by this Notice of Meeting.

Notice or **Notice of Meeting** means this notice of general meeting including the Explanatory Statement.

Option means an option to acquire a Share on the terms set out in this Explanatory Statement.

Performance Rights means a performance right to acquire a Share on the terms set out in this Explanatory Statement.

Past Placement Shares has the meaning given in Section 6.1.

Plan Rules has the meaning given in Section 1.3.

related party has the meaning given in the Listing Rules.

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

RM means Malaysian ringgit.

Section means a section of this Explanatory Statement.

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

Shareholder means a holder of a Share.

SCHEDULE 1: TERMS AND CONDITIONS OF OPTIONS

These terms and conditions set out the terms of options (**Options**) to be issued by VIP Gloves Limited ACN 057 884 876 (**Company**) to acquire fully paid ordinary shares in the capital of the Company (**Shares**).

These terms are subject to the constitution of the Company (**Constitution**), the VIP Gloves Limited Equity Incentive Plan Rules, and the ASX Listing Rules as amended from time to time (**Constituent Documents**). If there is any inconsistency between any provision of an Option and the Constituent Documents, the Constituent Documents (as applicable) will prevail to the extent of the inconsistency.

(a) Entitlement

- (i) Each Option entitles the Option holder to subscribe for, and be allotted, one ordinary Share in the capital of the Company.
- (ii) Shares issued on the exercise of Options will rank equally with all existing Shares on issue and will be subject to the provisions of the Constitution of the Company and any escrow restrictions imposed on them by the ASX.

(b) Exercise of Option

- (i) The Options are exercisable at any time from the date of issue.
- (ii) The final date and time for exercise of the Options is 5.00pm (Melbourne time) on the expiry of the 3rd anniversary of the issuance date of the Options.
- (iii) The exercise price of each Option is AUD\$0.045.
- (iv) Each Option is exercisable by the Option holder signing and delivering a notice of exercise of Option together with the exercise price in full for each Share to be issued upon exercise of each Option to the Company.
- (v) An Option holder may only exercise a minimum of AUD\$500 of Options, or such lesser number if the exercise price of all the Options held by the holder is less than that amount.
- (vi) Options will be deemed to have been exercised on the last day of the month in which the notice of exercise is lodged with the Company.
- (vii) Payment of the exercise price must be made payable to **VIP Gloves Limited** and cheques should be crossed 'Not Negotiable' or any other payment form as determined by the Company.
- (viii) All Options will automatically lapse on the earlier of the:
 - receipt by the Company of notice from the Option holder that the Option holder has elected to surrender the Option; and
 - expiry of the final date and time for exercise of the Option as set out in paragraph (b)(ii).
- (ix) In the event of liquidation of the Company, all unexercised Options will lapse.
- (x) For every Option that is exercised, the Option holder will receive one Share.

(c) Quotation

- (i) The Options will not be quoted on the ASX.
- (ii) If the Shares of the Company are quoted on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any Options within 10 Business Days (as defined in the Listing Rules) of issue. The Company gives no assurance that such quotation will be granted, or that the Shares

issued on exercise of the Options will be able to be on sold by you in accordance with the *Corporations Act 2001* (Cth).

(d) Participation in Securities Issues

Subject to paragraph (e) below, the Option holder is not entitled to participate in new issues of securities without exercising the Options.

(e) Participation in a Re-organisation of Capital

- (i) In the event of any reconstruction or reorganisation (including consolidation, sub-division, reduction or return of the capital of the Company), the rights of an Option holder will be changed in accordance with the Listing Rules of the ASX applying to a restructure or reorganisation of the capital at the time of that restructure or reorganisation, provided always that the changes to the terms of the Options do not result in any benefit being conferred on the Option holder which is not conferred on Shareholders of the Company.
- (ii) In any reorganisation as referred to in paragraph (e)(i), Options will be treated in the following manner:
 - (A) in the event of a consolidation of the share capital of the Company, the number of Options will be consolidated in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
 - (B) in the event of a subdivision of the share capital of the Company, the number of Options will be subdivided in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
 - (C) in the event of a return of the share capital of the Company, the number of Options will remain the same and the exercise price will be reduced by the same amount as the amount returned in relation to each ordinary share;
 - (D) in the event of a reduction of the share capital of the Company by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled the number of Options and the exercise price of each Option will remain unaltered;
 - (E) in the event of a pro-rata cancellation of shares in the Company, the number of Options will be reduced in the same ratio as the ordinary share capital of the Company and the exercise price of each Option will be amended in inverse proportion to that ratio; and
 - (F) in the event of any other reorganisation of the issued capital of the Company, the number of Options or the exercise price or both will be reorganised (as appropriate) in a manner which will not result in any benefits being conferred on the Option holder which are not conferred on shareholders.

(f) Adjustments to Options and Exercise Price

- (i) Adjustments to the number of Shares over which Options exist and/or the exercise price may be made as described in paragraph (e)(i) to take account of changes to the capital structure of the Company by way of pro-rata bonus and cash issues.
- (ii) The method of adjustment for the purpose of paragraph (f)(i) shall be in accordance with the Listing Rules of the ASX from time to time, which, under Listing Rules 6.22.2 and 6.22.3, currently provide:
- (iii) Pro Rata Cash Issues

Where a pro-rata issue is made (except a bonus issue) to the holders of underlying securities, the exercise price of an Option may be reduced according to the following formula:

$$O' = \frac{O - E [P - (S + D)]}{N + 1}$$

where:

O' = the new exercise price of the Option.

O = the old exercise price of the Option.

E = the number of underlying securities into which one Option is Exercisable.

P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex-rights date or ex entitlements date.

S = the subscription price for a security under the pro-rata issue.

D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).

N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

(iv) Pro-Rata Bonus Issues

If there is a bonus issue to the holders of the underlying securities, on the exercise of any Options, the number of Shares received will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for bonus issues. The exercise price will not change.

(v) Takeovers and Schemes of Arrangement

If during the currency of any Options and prior to their exercise a takeover offer or a takeover announcement (within the meaning of the Corporations Act) is made to holders of Shares then within 10 Business Days after the Company becomes aware of the offer, the Company must forward a notice notifying the Option holder of the offer and from the date of such notification, the Option holder has 60 days within which to exercise the Options notwithstanding any other terms and conditions applicable to the Options. If the Options are not exercised within 60 days after notification of the offer, the Options may be exercised at any other time according to their terms of issue.

If an offer for shares in the Company is made to Shareholders pursuant to a scheme of arrangement which has been approved in accordance with the Corporations Act, the Option holder will be entitled to exercise Options within the period notified by the Company.

(g) Transfers

The Options are not transferable. However, in the event of death, total or permanent disability of the Option holder, the Options shall be transferable to the Option holder's next-of-kin or legal representative as the case maybe.

(h) Notices

Notices may be given by the Company to the Option holder in the manner prescribed by the Constitution of the Company for the giving of notices to Shareholders and the relevant

provisions of the Constitution of the Company will apply with all necessary modification to notices to be given to the Option holder.

(i) Rights to Accounts

The Option holder will be sent all reports and accounts required to be laid before Shareholders in general meeting and all notices of general meeting of Shareholders, however, if the Option holder is not a Shareholder, the Option holder will not have any right to attend or vote at these meetings.

SCHEDULE 2: TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

These terms and conditions set out the terms of performance rights (**Performance Rights**) to be issued by VIP Gloves Limited ACN 057 884 876 (**Company**) to acquire fully paid ordinary shares in the capital of the Company (**Shares**).

These terms are subject to the constitution of the Company (**Constitution**), the VIP Gloves Limited Equity Incentive Plan Rules, and the ASX Listing Rules as amended from time to time (**Constituent Documents**). If there is any inconsistency between any provision of these terms and the Constituent Documents, the Constituent Documents (as applicable) will prevail to the extent of the inconsistency.

(a) Entitlement

- (i) Each Performance Right entitles the Performance Right holder to subscribe for, and be allotted, one ordinary Share in the capital of the Company.
- (ii) Shares issued on the exercise of Performance Rights will rank equally with all existing Shares on issue and will be subject to the provisions of the Constitution of the Company and any escrow restrictions imposed on them by the ASX.

(b) Exercise of Performance Right

- (i) The Performance Rights are exercisable subject to fulfilment of the vesting conditions.
- (ii) The final date and time for exercise of the Performance Rights is 5.00pm (Melbourne time) on the expiry of the 3rd anniversary of the issuance date of the Performance Rights.
- (iii) There is nil consideration payable for exercise price of each Performance Right.
- (iv) The Performance Rights are subject to the following vesting conditions:
 - (A) the holder of the Performance Right continuing to be an Eligible Employee under the Equity Incentive Plan Rules;
 - (B) Class A Performance Rights will vest subject to the Company achieving monthly revenue of at least RM7,000,000 (approx. A\$2,520,000) for 3 successive months; and
 - (C) Class B Performance Rights will vest subject to the Company achieving total Nitrile gloves production capacity of more than 70,000,000 pieces per month.
- (v) Each vested Performance Right is exercisable by the Performance Right holder signing and delivering a notice of exercise of Performance Right.
- (vi) A Performance Right holder may only exercise a minimum of \$500 worth of Performance Rights, or such lesser number if all the Performance Rights held by the holder is less than that amount.
- (vii) Performance Rights will be deemed to have been exercised on the last day of the month in which the notice of exercise is lodged with the Company.
- (viii) All Performance Rights will automatically lapse on the earlier of the:
 - receipt by the Company of notice from the Performance Right holder that the Performance Right holder has elected to surrender the Performance Right; and
 - expiry of the final date and time for exercise of the Performance Right as set out in paragraph (b)(ii).
- (ix) In the event of liquidation of the Company, all unvested and unexercised Performance Rights will lapse.
- (x) For every Performance Right that is exercised, the Performance Right holder will receive one Share.

(c) Quotation

- (i) The Performance Rights will not be quoted on the ASX.
- (ii) If the Shares of the Company are quoted on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any Performance Rights within 10 Business Days (as defined in the Listing Rules) of issue. The Company gives no assurance that such quotation will be granted, or that the Shares issued on exercise of the Performance Rights will be able to be sold by you in accordance with the *Corporations Act 2001* (Cth).

(d) Participation in Securities Issues

Subject to paragraph (e) below, the Performance Right holder is not entitled to participate in new issues of securities without exercising the Performance Rights.

(e) Participation in a Re-organisation of Capital

- (i) In the event of any reconstruction or reorganisation (including consolidation, sub-division, reduction or return of the capital of the Company), the rights of an Performance Right holder will be changed in accordance with the Listing Rules of the ASX applying to a restructure or reorganisation of the capital at the time of that restructure or reorganisation, provided always that the changes to the terms of the Performance Rights do not result in any benefit being conferred on the Performance Right holder which is not conferred on Shareholders of the Company.
- (ii) In any reorganisation as referred to in paragraph (e)(i), Performance Rights will continue to have a nil exercise price, and otherwise treated in the following manner:
 - (A) in the event of a consolidation of the share capital of the Company, the number of Performance Rights will be consolidated in the same ratio as the ordinary share capital of the Company;
 - (B) in the event of a subdivision of the share capital of the Company, the number of Performance Rights will be subdivided in the same ratio as the ordinary share capital of the Company;
 - (C) in the event of a return of the share capital of the Company, the number of Performance Rights will remain the same;
 - (D) in the event of a reduction of the share capital of the Company by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled the number of Performance Rights will remain unaltered;
 - (E) in the event of a pro-rata cancellation of shares in the Company, the number of Performance Rights will be reduced in the same ratio as the ordinary share capital of the Company; and
 - (F) in the event of any other reorganisation of the issued capital of the Company, the number of Performance Rights will be reorganised (as appropriate) in a manner which will not result in any benefits being conferred on the Performance Right holder which are not conferred on shareholders.

(f) Adjustments to Performance Rights

- (i) Adjustments to the number of Shares over which Performance Rights exist may be made as described in paragraph (e)(i) to take account of changes to the capital structure of the Company by way of pro-rata bonus and cash issues.
- (ii) The method of adjustment for the purpose of paragraph (f)(i) shall be in accordance with the Listing Rules of the ASX from time to time, which, under Listing Rule 6.22.3, currently provide that:

Pro-Rata Bonus Issues

If there is a bonus issue to the holders of the underlying securities, on the exercise of any Performance Rights, the number of Shares received will include the number of bonus Shares that would have been issued if the Performance Rights had been exercised prior to the record date for bonus issues

(iii) Takeovers and Schemes of Arrangement

If during the currency of any Performance Rights and prior to their exercise a takeover offer or a takeover announcement (within the meaning of the Corporations Act) is made to holders of Shares then within 10 Business Days after the Company becomes aware of the offer, the Company must forward a notice notifying the Performance Right holder of the offer and from the date of such notification, the Performance Right holder has 60 days within which to exercise the Performance Rights notwithstanding any other terms and conditions applicable to the Performance Rights. If the Performance Rights are not exercised within 60 days after notification of the offer, the Performance Rights may be exercised at any other time according to their terms of issue.

If an offer for shares in the Company is made to Shareholders pursuant to a scheme of arrangement which has been approved in accordance with the Corporations Act, the Performance Right holder will be entitled to exercise Performance Rights within the period notified by the Company.

(g) Transfers

The Performance Rights are not transferable. However, in the event of death, total or permanent disability of the Performance Right holder, the Performance Rights shall be transferable to the Performance Right holder's next-of-kin or legal representative as the case maybe.

(h) Notices

Notices may be given by the Company to the Performance Right holder in the manner prescribed by the Constitution of the Company for the giving of notices to Shareholders and the relevant provisions of the Constitution of the Company will apply with all necessary modification to notices to be given to the Performance Right holder.

(i) Rights to Accounts

The Performance Right holder will be sent all reports and accounts required to be laid before Shareholders in general meeting and all notices of general meeting of Shareholders, however, if the Performance Right holder is not a Shareholder, the Performance Right holder will not have any right to attend or vote at these meetings.