

ENGENCO LIMITED

Employee Share Purchase Plan Plan Rules

Eligible employees should read this booklet, the Invitation letter and Application form they receive entirely before deciding to accept the Invitation. Any information given by or on behalf of Engenco Limited in relation to the Invitation, including an Invitation letter or this booklet is general information only. You should consider obtaining your own financial product advice from an independent person who is licensed by ASIC to give such advice. Information in this booklet is correct as at 28 August 2023.

Key Concepts

Below are the key concepts that make up the Employee Share Purchase Plan:

- You are eligible to participate in the ESPP if you were a permanent full-time or part-time employee of the Engenco Group, are an Australian tax resident and are aged 18 years or over on the application date.
- The maximum number of Shares you may acquire in a financial year is equal to \$1,000. This applies to all Eligible employees.
- The Plan is a tax-effective way to purchase Engenco shares as participants are able to meet the cost of acquiring Shares via salary sacrifice, using pre-tax income rather than after-tax income.
- No Australian brokerage costs will be payable by the Eligible employee in respect of the application for, and allocation of, Shares purchased through the ESPP.
- The purchase price will be set at a 5% discount to the market price at the time of purchase.
- Participation in the ESPP is entirely at your discretion. The Invitation under the ESPP is non-renounceable. This means you cannot transfer your right to purchase Shares under the Invitation to anyone else.
- All Shares acquired under the ESPP for a particular financial year will be transferred to you on the third anniversary of your purchase and will rank equally with existing fully-paid ordinary Shares. If you leave the employment of the Engenco Group within three years of your purchase, the shares will be transferred to you.

Please ensure you read the Risks section and the Taxation section.

How the Share Purchase Plan Works

What is it?

The ESPP allows participating Engenco Group employees to acquire Engenco Limited Shares using pre-tax income rather than after-tax income. By income, we mean your salary, your wage or payments that you may receive as an employee of the Engenco Group.

Participation in the ESPP is entirely voluntary – it is your choice whether you participate.

You can choose to acquire Shares by agreeing to forego a total of \$1,000 of your pre-tax income over the relevant financial year.

Please read the Taxation section carefully.

Engenco Limited will pay any brokerage costs associated with the acquisition of Shares through the ESPP.

The purchase price will be set at a 5% discount to the market price at the time of purchase.

All Dividends received on the Shares will be paid to you.

Three Year Restriction

Under the ESPP, a three-year restriction period applies to the SPP shares acquired. Shares will be transferred to you on the third anniversary of your purchase.

Why is there a three-year restriction period?

In order for the Shares issued under the ESPP to qualify for tax exemption, there must be a restriction period in place. Tax legislation specifies that the minimum restriction period is three years from the Allocation date.

Who is eligible?

Eligible participants include permanent full-time and part-time employees of the Engenco Group who were Australian tax residents and are 18 years or older on the application date. There are no minimum service requirements.

There are some groups of employees who are not eligible for the ESPP:

- Casual employees;
- Employees who are not Australian tax residents;
- Employees under the age of 18 years on the application date; and
- The MD/CEO and Directors.

Please note that if your adjusted taxable income is above \$180,000 you are not precluded from participating in the ESPP. However, you will not qualify for the tax savings summarised further in this document.

How the Share Purchase Plan Works, continued

Can I buy more than \$1000 of ESPP Shares in this financial year?

No, the tax concession is only available up to a maximum of \$1000 of ESPP Shares therefore the ESPP is set up to a maximum of \$1000 for any financial year. You may however purchase shares from your after-tax income through a Stockbroker provided you comply with the Securities Trading Policy. (The Securities Trading Policy is available at www.Engenco.com.au)

How will I pay for the Shares?

Shares will be purchased or issued on an annual basis. Your gross wage or salary will be reduced by \$250 in the last pay run of each quarter to allow you to pay off the ESPP allocation over the financial year.

Below is an example of how this may affect someone with an annual income of \$45,000.

	With ESPP	Without ESPP
Gross	\$45,000	\$45,000
Less: ESPP deduction (Pre Tax)	\$1,000	NIL
Gross after ESPP deduction	\$44,000	\$45,000
Less: Tax	\$4,902	\$5,092
Less: Post Tax Share purchase *	NIL	\$1,000
Net	\$39,0984	\$38,9089

In this example, by participating in the ESPP there is an annual tax saving of \$190 compared to acquiring the same parcel of shares outside of the ESPP.

** For the purpose of comparison, this example assumes that the employee not participating in the ESPP purchases \$1,000 worth of Shares using post-tax remuneration.*

How the Share Purchase Plan Works, continued

What if I take leave without pay?

If you commence any form of leave without pay no further salary sacrifice deductions can occur and therefore once you resume employment, your salary sacrifice deductions will recommence, including a true-up of any missed payments. If your employment with the Engenco Group ends, any amount owing will be deducted from your final entitlements.

How can I keep track of how many Shares I have?

The acquired Shares will be managed by our Share Registry on your behalf until the restrictions on the disposal of the Shares expire. You will receive a login to your account with the Share Registry and be able to view your shares and manage your details.

Do I receive Dividends during the three-year restriction period?

Shares which are allocated to you are the same as Ordinary Shares but are held as restricted employee Shares until the three-year restriction period lapses. During the three-year restriction period, you will receive your Dividend information from our Share Registry "Automatic Group".

How will the Dividends be paid?

Dividends will be paid automatically based on the information you provide our Share Registry Automatic Group.

Am I entitled to vote at Engenco Limited shareholder meetings?

Shares which are allocated to you are the same as Ordinary Shares and as such you will be able to vote at all shareholder meetings (including the AGM) on the same basis as other shareholders.

How the Employee Share Purchase Plan Works, continued

Restrictions

Under the ESPP, a three-year restriction period applies to the ESPP Shares you acquire. This means that while you remain employed by the Engenco Group you cannot dispose of, deal in, or grant a security interest over, any interest in an ESPP Share until the third anniversary of the share purchase.

This three-year restriction only applies while you remain employed by the Engenco Group. If you accept the invitation to participate in the ESPP, you agree to be bound by this restriction.

What is the price of Shares allocated under the ESPP?

The Shares allocated under the ESPP may be purchased on-market on the ASX by Engenco Limited or issued directly by Engenco Limited.

- If Shares are purchased on-market by Engenco Limited, the Allocation price for Shares under the ESPP will be the current market price of EGN Shares traded on the ASX at the time of purchase, less a 5% discount.
- If Shares are issued directly by Engenco Limited, the Allocation price for Shares under the ESPP will be the (five-day) Volume Weighted Average Price of Engenco Limited's ordinary Shares as traded on the ASX up to (but excluding) the Allocation date, less a 5% discount. This is a trading benchmark commonly used in share plans. It is calculated by dividing the total value of Shares traded by the total number of Shares traded for every transaction during a five-day trading period to calculate an average price for Shares.

How Many Shares Will I Acquire?

The number of Engenco Limited Shares to be allocated will be the amount you have elected to sacrifice (\$1,000) divided by the Allocation price, rounded down to the nearest whole Share. Any residual balance remaining will be carried forward and applied to the next purchase of Shares within the financial year. If there is a residual balance remaining after the final allocation of Shares for the financial year, this will be paid to you at that time.

What if I change my mind?

Once you accept the Invitation and your participation is accepted by the Company, you will be required to participate for the full tax year. As shares are allocated at the beginning of each plan period and paid for at the end of each quarter, any unpaid amounts will be recoverable if you cease employment with the Engenco Group.

How the Employee Share Purchase Plan Works, continued

What is Insider Trading and what are my Responsibilities?

Being a Company shareholder brings a responsibility to comply with the laws governing employees who own Shares.

These laws do not allow anyone with inside information to:

- Trade in (buy or sell) Engenco Limited Shares or influence another person to trade in Engenco Limited Shares; or
- Communicate the inside information to another person who is likely to trade in Engenco Limited Shares.

Inside information can be anything an employee sees or hears about the Company which is not known by the general public and relates to the Company's performance, business goals or decisions that may affect the Engenco Limited Share price. It can include things like:

- Company financial results which have not been publicly released;
- Any proposal to buy a new business or sell parts of the Engenco Group's existing businesses; or
- Significant disputes, gains or loss of a major contract or major management changes.

All employees are responsible for ensuring they comply with the Engenco Limited Securities Trading Policy. The Policy covers issues that you need to be aware of if you want to buy or sell Engenco Securities, including insider trading laws and closed periods. The Policy is available on the Engenco Limited website (www.Engenco.com.au) and iConnect.

How the Employee Share Purchase Plan Works, continued

What happens if I leave the Engenco Group before the full 12-month salary sacrifice period is up, or before the three-year restriction period is up?

Shares previously acquired under the ESPP will be transferred into your name. The Share Registry will receive notification of your termination from Payroll and will write to you confirming the number of ESPP Shares which have been transferred into your name as ordinary fully paid Shares you will then receive a Holding Statement from the Share Registry. This statement is your record of ownership of the Shares. Any final amounts outstanding for the purchase of the shares will be deducted from your final pay.

How do I arrange for the Shares I acquire under the ESPP to be sold?

Once the three-year restriction period has passed and your Shares have been transferred to you as ordinary fully paid Shares, you can arrange to sell them on the ASX through a stockbroker or online investment platform.

Factors Affecting the Share Price

Many factors will affect the price of Shares. At any point in time these factors may include:

Company Factors

- The profit outlook for Engenco Limited.
- The profitability of Engenco Limited.
- The Dividend policy of Engenco Limited.
- The level of franking of Engenco Limited Dividends.
- The credit ratings and strength of the balance sheet of Engenco Limited.

External Factors

- Movements in the general level of share prices on local and international share markets.
- Developments in retail and other industries generally.
- The economic outlook in Australia and internationally.
- Changes in government fiscal, monetary and regulatory policies.
- Turnover and volatility of financial markets in Australia and overseas.
- Changes in interest rates, inflation rates, exchange rates and commodity prices.
- Acts of terrorism, the occurrence of hostilities or natural disasters.

Things to consider

- Your financial needs and goals, both short and long term.
- Expectations about what investment returns are achievable and sustainable overtime.

Risks

Every investment involves an element of risk and employees should be aware that there are risks associated with share ownership. Shares should be considered a long-term investment.

Things to be mindful of:

- Engenco Limited is a limited liability company which means that people holding Shares are not required to contribute any more capital for their Shares once those Shares have been fully paid for, even in the event of losses by the Company. However, it is possible that if there are losses, or profits fall, holders of Shares may not receive Dividends or Dividends may be reduced and the value of their Shares may fall.
- The price of Shares as quoted on the ASX is volatile and moves up and down with market sentiment as well as factors which are specific to the Company.
- The price at which the Shares trade on the ASX may be higher or lower than historical prices. If investors decide to sell their Shares, the amount which may be received on the sale may be higher or lower than their present market price.
- The Company's latest annual report contains details of the Engenco Group's performance and the factors which have impacted upon this performance during the period to which the report relates. These documents may be viewed on the Engenco Limited website at www.Engenco.com.au
- Engenco Limited is also required to notify the ASX of information about specified events and matters as they arise for the purposes of the ASX making that information available to the stock market conducted by the ASX.
- The most recent annual report and ASX announcements should be referred to for details of these matters.

Taxation

The ESPP can provide a tax effective way to purchase shares in Engenco. The following brief summary is a general guide to the Australian income tax consequences of participating in the ESPP. It assumes that you are, and continue to be, a resident of Australia for income tax purposes.

Acquisition of Shares

Participation in the ESPP will not be tax effective where your adjusted taxable income is more than \$180,000.

Your adjusted taxable income is the sum of the following:

- Your taxable income (this includes investment gains but not investment losses such as negatively geared property losses)
- Your reportable fringe benefits (as recorded on your "Payment Summary")
- Your reportable superannuation contributions (this includes salary sacrificed superannuation payments)

For example, if Mary has taxable income of \$70,000 (consisting of \$80,000 salary and wages and \$10,000 investment losses), reportable fringe benefits of \$5,000 and reportable superannuation contributions of \$8,000, her income for ESPP purposes will be \$93,000 calculated as follows:

Salary or wages	\$80,000
Reportable fringe benefits	\$ 5,000
Reportable superannuation contributions	\$ 8,000
Total:	\$93,000

Please note that if your adjusted taxable income is above \$180,000 you are not precluded from participating in the ESPP. However, you will not qualify for the tax savings summarised below.

By using your pre-tax income to acquire the Engenco Limited Shares, the cost of acquiring those Shares will be less than if you had not participated in the ESPP and instead purchased the Shares yourself using after-tax income.

Taxation, continued

After-tax Cost

The table below shows the savings applicable for the financial year at varying earnings levels if purchasing \$1,000 worth of Shares through the ESPP as compared with not using the ESPP to purchase the same Shares.

Taxable Income	Via ESPP	Non ESPP	Saving
\$18,200 - \$45,000	\$810	\$1,000	\$190
\$45,001 - \$120,000	\$675	\$1,000	\$325
\$120,001 - \$180,000	\$630	\$1,000	\$370
> \$180,000	\$1000	\$1,000	Nil

Notes:

This table is current as at 14/08/2023. Tax scales and rates may be changed by the Federal Government at any time.

This benefit will not be advantageous for employees who anticipate a total taxable gross income of less than \$18,200 per annum or an adjusted taxable income of over \$180,000 per annum.

Sale of Shares

If you choose to sell the Shares after the three-year restriction period (or when you cease employment with the Engenco Group) any gain made on the Shares will be subject to capital gains tax (CGT).

The amount of the gain subject to CGT will be reduced by 50% where you have held the Shares for at least 12 months since the first allocation date.

IMPORTANT

It is important that you retain all ESPP statements showing allocation prices and dates, as these will be required when completing your tax return.

Additional Information

The Invitation and this Information Booklet are issued in accordance with Division 1A of Part 7.12 of the Corporations Act 2001 (Cth) and ASIC Corporations (Employee Share Schemes) Instrument 2022/1021 which provide conditional relief from disclosure, advertising, hawking and licensing provisions of the Corporations Act 2001 for certain offers made to full-time or part-time employees under an employee incentive scheme by a body listed on the ASX.

Share Price

During the Invitation period, the Company will make available to you on the intranet or if you require it (by contacting the Company Secretary):

- the current market price of Engenco Limited Shares; and
- the (5-day) Volume Weighted Average Price of Engenco Limited Shares as traded on the ASX.

The Company Secretary can be contacted by emailing meredith.rhimes@enenco.com.au during the Invitation period.

Alternatively, the trading price of Engenco Limited Shares is shown on the ASX website at www.asx.com.au under the ASX code: EGN. It is also available both on the Engenco Limited website and intranet.

Financial Advice

It is not intended that the material in this Information Booklet or the Invitation be interpreted as financial advice. However, should it be construed as financial advice, it is general advice only. You should consider obtaining your own financial product advice from an independent person who is licensed by ASIC to give such advice before deciding whether to accept the Invitation. Any advice given in the Plan or by the Engenco Group does not take into account an Eligible Participant's financial objectives, situation or needs.