29 September 2023

Tivan adopts new awards plan for Employees and Non-Executive Directors

The Board of Tivan Limited (ASX: TVN) ("Tivan" or the "Company") advises that the Board has adopted a new Awards Plan ("Plan") for incentive securities for employees and Non-Executive Directors of the Company as part of a revised remuneration framework specifically structured to align Tivan's team with project delivery timeframes and the interests of the Company's shareholders.

Under the Plan, Tivan can make offers of incentive securities to its senior management, Non-Executive Directors and other eligible employees (subject to receipt of any required shareholder approvals), specifically offers of options and shares. The new Plan will replace all of the Company's existing incentive securities plans that were carried over from previous management and adopted while the Company was known as TNG Limited.

The Plan and revised remuneration framework have been structured to align staff performance and remuneration with the interests of shareholders. The overarching principle is to incentivise staff participants to drive the growth of the Company and its share price in a clear, simple and transparent manner; and reward performance that aligns with long-term shareholder value creation. The Board intends to include tenure requirements via vesting conditions for the incentive securities offered under the Plan to promote staff retention at the Company.

The Company will seek shareholder approval for issues of incentive securities under the Plan for the purposes of Listing Rule 7.2, Exception 13 at its upcoming Annual General Meeting ("AGM") to be held in November 2023. The Notice of Meeting for the AGM will contain further details regarding the Plan rules.

Initial Offer of Options under the Plan

The Company proposes to make an initial offer of options to senior management, Non-Executive Directors and other eligible employees under the Plan, totaling 10 million options for staff and 9 million options for the Non-Executive Directors (19 million options in total). The options are to be structured in three classes as follows:

- Options with an exercise price of $0.30 each, vesting on 31 December 2025 and expiring on 30 June 2026;
- Options with an exercise price of $0.40 each, vesting on 31 December 2026 and expiring on 30 June 2027; and
- Options with an exercise price of $0.50 each, vesting on 31 December 2027 and expiring on 30 June 2028.

The offers of options will be split evenly across each class (ie, a total of 6.33 million options in each class). Option vesting is conditional on the recipient remaining in the employment of the Company at the vesting date.

The Board has set the exercise price for each class of options materially above the current share price and out of the money, as the primary means of creating alignment with shareholders. The Board has chosen to offer options, and not rights based on arbitrary performance hurdles, as a simple and transparent mechanism based on share price performance. The employment vesting condition promotes the interests of the Company through alignment with targeted project delivery timeframes, that have been clarified through the course of the year, assisting in retaining staff and further establishing Tivan as an employer of choice.

As previously announced on 21 December 2022, the Company's Executive Chairman, Mr Grant Wilson is proposed to be issued 30 million options. The Board (in the absence of Mr Wilson) has determined to amend the proposed terms of those options (which have not yet been issued) to align with the exercise price and expiry date terms noted above, with 10 million options proposed to be issued in each class, ensuring consistency of awards made to Tivan's team.

The grant of options to Mr Wilson and the Company's Non-Executive Directors will be subject to shareholder approval to be sought at the AGM for the purposes of Listing Rule 10.14. The grant of options to employees will be subject to shareholder approval of the Plan at the AGM.

Remuneration of Executive Chairman

The Tivan Board has also undertaken a review of the remuneration of Mr Wilson. The Board (in the absence of Mr Wilson) has determined to increase Mr Wilson's base salary from $250,000 per annum (exclusive of superannuation) to $325,000 per annum (exclusive of superannuation) with effect from 1 October 2023. This determination reflects Mr Wilson's performance as Tivan's senior executive over the past year and brings his base salary closer to relevant sectoral peers.

Comment from Tivan Executive Chairman

Mr Grant Wilson commented:

"Over the course of this year the Board has methodically reviewed and reformed the compensation structure that was inherited from the TNG era, including the loans for shares scheme, performance rights, termination payments and base salaries. The Board views the previous regime as fundamentally misaligned with the interests of shareholders.

Today's announcement completes the review and establishes a new benchmark in the junior resources sector. Through awards that are consistent with project development timeframes, and that are structured solely as options that are well out of the money, the entire team at Tivan is now incentivised to deliver on behalf of shareholders. On behalf of the Board, I am pleased to present this important initiative to shareholders for their support the upcoming AGM."

This announcement has been approved by the Board of the Company.

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Forward looking statements

This announcement contains certain “forward-looking statements” and comments about future matters. Forward-looking statements can generally be identified by the use of forward-looking words such as, “expect”, “anticipate”, “likely”, “intend”, “should”, “could”, “may”, “propose”, “will”, “believe”, “guidance” and other similar expressions within the meaning of securities laws of applicable jurisdictions. You are cautioned not to place undue reliance on forward-looking statements. Any such statements, opinions and estimates in this announcement speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this announcement are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Company. The forward-looking statements are based on information available to the Company as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), the Company undertakes no obligation to supplement, revise or update forward-looking statements or to publish prospective financial information in the future, regardless of whether new information, future events or results or other factors affect the information contained in this announcement.

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