



Kangaroo Island Plantation Timbers Ltd

Notice of Annual General Meeting

ABN 19 091 247 166

Date: Friday 10th November 2017

Commencing: 10:00 am (CDT)

Location: Grant Thornton's offices
Level 3, 170 Frome Street
Adelaide, South Australia 5000

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If you are in doubt as to what to do
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Part A: Letter to Shareholders

25th September 2017

Dear Shareholder

The Board of Kangaroo Island Plantation Timbers Limited (the “**Company**”) has pleasure in inviting you to the Company’s Annual General Meeting (“**AGM**”) to be held on Friday, 10th November 2017 at 10:00am (CDT). The Company’s AGM is to be held at Grant Thornton’s office at Level 3, 170 Frome Street, Adelaide, South Australia 5000.

The Board is aware that many Shareholders are in other States and overseas. To this end, the AGM will be audio-cast to enable interstate and overseas Shareholders to attend and vote virtually.

At the previous general meeting, the Shareholders approved the issue of performance rights at this AGM the Board is seeking to extend the 12 month expiry period of these rights from 23rd February 2018 to 9th November 2018:

Extension of the Performance Rights Maximum Shares 899,990

The Board is also pleased to seek the approval an extension of Performance Rights Plan (Plan) rights that are aimed at aligning the Board’s interests more closely with those of the Shareholders. The Board is seeking approval of performance rights issues under the Plan.

The aim of these performance rights is to incentivise the Board to achieve volume-weighted average (VWAP) Share prices of \$3.50, \$4.25 and \$5.00 based on 1,000,000 traded Shares.

In addition, the Board is seeking approval by Special Resolution to increase the Share issue capacity under Listing Rule 7.1A, to give the Company flexibility to achieve the most efficient capital structure and optimise value for Shareholders.

Attached is the Kangaroo Island Plantation Timbers Limited Notice of AGM and accompanying Explanatory Memorandum.

Full details of the above Resolutions are provided in the accompanying Explanatory Memorandum.

Please consider carefully the contents of this Notice of Meeting, including, without limitation, the Explanatory Memorandum. If you are in any doubt as to any matter, please consult your legal, financial or other professional adviser.

Yours faithfully

Mr Paul McKenzie
Non-Executive Chairman
Kangaroo Island Plantation Timbers Limited



Part B: Notice of Annual General Meeting

Notice is hereby given that the AGM of the Shareholders of Kangaroo Island Plantation Timbers Limited (the “**Company**”) will be held at Grant Thornton’s office located on Level 3, 170 Frome Street, Adelaide, South Australia 5000 on Friday, 10th November 2017 at 10:00am (CDT) (Adelaide local time).

If you are unable to attend the meeting, we encourage you to complete and return the enclosed Proxy Form. The completed Proxy Form must be received at the Company’s share registry or the registered office of the Company, before 10:00am (CDT) Wednesday, 8th November 2017. The details of the Company’s share registry and registered office are set out in the attached Proxy Form.

The enclosed Explanatory Memorandum accompanies and forms part of this Notice of Meeting. Shareholders are advised to read these documents in full as important background information is included.

Where permitted by the Corporations Act, the Chairman will be casting undirected proxy votes held by him in favour of the Resolutions.

BUSINESS

- i. **Chairman’s address on significant events during the financial year.**
 - ii. **Presentation of audited financial statements for the year ended 30th June 2017.**
 - iii. **Proposed Ordinary Resolutions:**
 - Resolution 1** Adoption of Remuneration Report
 - Resolution 2** Re-election of Non-Executive Director, Mr Paul McKenzie
 - Resolution 3** Ratification of Share Issue
 - Resolution 4** Reallocation of rights to Mr Graham Holdaway under the Performance Rights Plan for performance rights dated 24 February 2017
 - Resolution 5-6** Approval of issue of Shares to Directors under the Performance Rights Plan for performance rights dated 10 November 2017
 - iv. **Proposed Special Resolution:**
 - Resolution 7** Approval of increased Share issue capacity under Listing Rule 7.1A
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AGENDA

Business of the Meeting

Financial Reports

To receive and consider the Company's audited financial report together with the Directors' Report (including the Remuneration Report) and the auditor's report for the period ended 30th June 2017. The Reports are placed before the Shareholders for discussion and Shareholders will be given the opportunity to ask questions and make comments on the Reports; no voting is required on this matter.

Proposed Ordinary Resolutions

1. Adoption of Remuneration Report

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

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30th June 2017."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company under section 250R(2) of the Corporation Act. If the 'No' votes are greater than 25% then there are potentially serious consequences, see Explanatory Memorandum for details.

Voting Prohibition Statement:

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

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

The Company will, in accordance with ASX Listing Rule 14.11, disregard any votes cast in respect of these Resolutions by the Directors and any associates of those persons.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) 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. Re-Election of Non-Executive Director, Mr Paul McKenzie for re-election on rotation

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

"That Mr Paul McKenzie who retires by rotation in accordance with Rule 5.1 of the Company's Constitution, and being eligible, be re-elected as a Non-Executive Director of the Company."

There are no voting exclusions in relation to this Resolution.



3. Ratification Share Issue

To consider and, if thought fit, to pass the following Resolution as an **ordinary Resolution**:

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the allotment of 6,028,467 Shares at an issue price of \$2.00 per Share to sophisticated and professional investors under the Institutional Placement on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement for Resolution 3

The Company will, in accordance with ASX Listing Rule 14.11, disregard any votes cast on Resolution 3 in respect of these Resolutions by any person who participated in the Share issue and any associates of those persons.

However, the Company need not disregard a vote if:

-) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
-) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

4. Reallocation of rights to Mr Graham Holdaway under the Performance Rights Plan for performance rights dated 24 February 2017

To consider and, if thought fit, to pass the following Resolution as an **ordinary Resolution**:

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Directors to reallocate 128,570 Performance Rights dated 24 February 2017 from Mr John Sergeant to Mr Graham Holdaway; and, as a result, issue up to 257,140 Shares to Mr Graham Holdaway and/or his nominees, and up to 257,140 Shares to Mr John Sergeant and/or his nominees, being Eligible Employees under the Performance Rights Plan subject to the terms and conditions set out in the Explanatory Memorandum.”

5. Approval of issue of additional Shares to the full-time Executive Directors under the Performance Rights Plan for performance rights dated 10 November 2017

To consider and, if thought fit, to pass the following Resolution as an **ordinary Resolution**:

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Directors to allot and issue up to a further 257,140 Shares to each full time Executive Director in office at 10th November 2017 and/or their nominees, being Eligible Employees under the Performance Rights Plan subject to the terms and conditions set out in the Explanatory Memorandum.”

6. Approval of issue of additional Shares to each Non-Executive Director and Part-time Executive Director under the Performance Rights Plan for performance rights dated 10 November 2017

To consider and, if thought fit, to pass the following Resolution as an **ordinary Resolution**:

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Directors to allot and issue up to a further 128,570 Shares to each Non-Executive Director and part-time Executive Director in office at 10th November 2017 and/or their nominees being Eligible Employees under the Performance Rights Plan subject to the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement for Resolutions 4 to 6

The Company will, in accordance with ASX Listing Rule 14.11, disregard any votes cast on Resolutions 4 to 6 in respect of these Resolutions by the directors and any associates of those persons.



However, the Company need not disregard a vote if:

-) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
-) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

A person appointed as proxy must not vote on Resolutions 4 to 6 on the basis of that appointment if:

-) that person is either a member of the Key Management Personnel or a Closely Related Party of such a member; and
-) the appointment does not specify how the proxy is to vote on the proposed Resolution;

unless the person appointed is the Chairman of the meeting and the appointment expressly authorises the Chairman to exercise the proxy even if the proposed Resolution is connected directly or indirectly with the remuneration of the Key Management Personnel of the Company.

Proposed Special Resolution

7. Approval of increased Share issue capacity under Listing Rule 7.1A

To consider and, if thought fit, to pass the following Resolution as a **special Resolution**:

"That, for the purpose of ASX Listing Rule 7.1A, and for all other purposes, the issue of equity securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum be approved."

Resolution 7 is a special Resolution. For a special Resolution to be passed, at least 75% of the votes cast by Shareholders entitled to vote on Resolution 7 must be in favour of the Resolution.

Voting Exclusion Statement for Resolution 7

The Company will, in accordance with ASX Listing Rule 14.11 of the Listing Rules, disregard any votes cast in respect of this Resolution by a person (and any such associates of such a person) who may participate in the 10% placement facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of securities, if this Resolution is passed. At this point in time, there is no potential allottee to whom securities may be issued under this Resolution.

However, the Company need not disregard a vote if:

-) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
-) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

General Business

Non-Executive Chairman's Report on current activities

By Order of the Board

Victoria Marie Allinson
Company Secretary
Kangaroo Island Plantation Timbers Limited
25th September 2017



Background Information

To assist you in deciding how to vote on the above Resolutions, further details as background information to the Resolutions are set out in the Explanatory Memorandum forming part of this Notice of Meeting.

Glossary

Words defined in the Explanatory Memorandum have the same meaning when used in this Notice of Meeting unless the context requires otherwise. For assistance in considering the Notice of Meeting, the following words are defined here:

AGM means the annual general meeting.

Annual Report means the annual report for the Company for the period ended 30th June 2017.

ASIC means the Australian Securities and Investments Commission.

ASX means the ASX Limited.

Board means all or some of the directors of the Company acting as a board.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

Company means Kangaroo Island Plantation Timbers Limited ABN 19 091 247 166.

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

Explanatory Memorandum means the Explanatory Memorandum accompanying this Notice of Meeting.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the official listing rules of the ASX.

Notice or Notice of Meeting means this notice of annual general meeting.

Placement Shares means the 6,028 467 Shares issued to sophisticated and professional investors under the Institutional Placement on 24th April 2017.

Remuneration Report means the report set out in the Directors' Report section of the Company's Annual Financial Report for the year ended 30th June 2017.

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

Shareholder means the holder of a Share in the Company.



Entitlement to Vote and Attend

In accordance with the Corporations Act, the Company has determined that the shareholding of each person for the purpose of determining entitlements to attend and vote at the meeting will be the entitlement of that person set out in the Company's share register as at 6:30pm (CDT) 8th November 2017. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

How to Vote

Voting in person

A Shareholder that is an individual may attend and vote in person at the meeting. If you wish to attend the meeting, please bring the enclosed proxy form to the meeting to assist in registering your attendance and number of votes. Please arrive 20 minutes prior to the start of the meeting to facilitate this registration process.

A Shareholder that is a corporation may appoint an individual to act as its representative to vote at the meeting in accordance with section 250D of the Corporations Act.

If you are eligible and wish to participate in the meeting via audio-cast please email the Company Secretary, Victoria Allinson at vicky.allinson@kipt.com.au before 5pm (CDT) 6th November 2017 and she will email the audio-cast login details prior to the meeting.

Voting by proxy

If you do not wish to attend the meeting, you may appoint a proxy to attend and vote on your behalf. A body corporate may also appoint a proxy. A proxy need not be a Shareholder.

You are entitled to appoint up to 2 proxies to attend the meeting and vote on your behalf. If you wish to appoint a second proxy, an additional proxy form may be obtained by telephoning the Company's share registry or you may copy the enclosed proxy form. To appoint a second proxy, you must follow the instructions on the reverse of the proxy form.

To be valid, your proxy form (and any power of attorney under which it is signed) must be received at an address given below no later than 48 hours before the commencement of the meeting. Any proxy form received after that time will not be valid for the scheduled meeting.

By online voting:

Shareholders online voting: www.investorvote.com.au

Intermediary online voting: www.intermediaryonline.com

By fax 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

By post Computershare Investor Services Pty Ltd
GPO Box 242, Melbourne VIC 3001

Sections 250BB and 250BC of the Corporations Act apply to voting by proxy, Shareholders and their proxies should be aware of the requirements under the Corporations Act, as they will apply to this AGM. Broadly, the changes mean that:

-) if proxy holders vote, they must cast all directed proxies as directed; and
-) any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

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:
 - o the proxy is not recorded as attending the meeting;
 - o 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.

Questions from Shareholders

The chair of the meeting will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company at the meeting.

Ms Sheenagh Edwards of Grant Thornton, as the auditor responsible for preparing the auditor's report for the year ended 30th June 2017 (or her representative), will attend the meeting. The chair of the meeting will allow a reasonable opportunity for the members as a whole to ask the auditor questions at the meeting about:

-) the conduct of the audit;
-) the preparation and content of the auditor's report;
-) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
-) the independence of the auditor in relation to the conduct of the audit.

To assist the Board and the auditor of the Company in responding to any questions you may have, please submit any questions in writing using the enclosed "Questions from Shareholders" form by fax, email or to the address below by no later than 5pm (CDT) on 3rd November 2017.

By fax (08) 8223 1685
By email vicky.allinson@kipt.com.au
By post Aurora House, Suite 816,
147 Pirie Street, Adelaide SA 5000

As required by section 250PA of the Corporations Act, the Company will distribute a list setting out any questions directed to the auditor received in writing at least 5 business days prior to the meeting that the auditor considers relevant to the content of the auditor's report or the conduct of the audit of the annual financial report for the year ended 30th June 2017. The chair of the meeting will allow a reasonable opportunity for the auditor to respond to the questions set out on this list.



Part C: Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the AGM of the Company to be held at Grant Thornton's office Level 3, 170 Frome Street, Adelaide, South Australia 5000 on Friday, 10th November 2017 at 10:00am (CDT) (Adelaide local time).

A copy of the Notice of Meeting (including Explanatory Memorandum) was lodged with the ASX on 9th October 2017. The ASX does not take any responsibility for the content of the Notice of Meeting (including Explanatory Memorandum).

This Explanatory Memorandum forms part of the Notice of Meeting and must be read together with that Notice. The purpose of this Explanatory Memorandum is to provide Shareholders with an explanation of the business of the Meeting and of the Resolutions to be proposed and considered at the Meeting and to assist Shareholders in determining how they wish to vote on each of the Resolutions.

As far as legally possible, the Board intends to support each of the Resolutions.

Presentation of the Audited Financial Statements

To receive the audited financial report, directors' report and auditor's report

The audited financial report, directors' report and auditor's report are incorporated within the Company's Annual Report for the financial year ended 30th June 2017 ("**Annual Report**").

Section 317 of the Corporations Act requires the directors of the Company to lay before the AGM the financial report (including the remuneration report), the directors' report and the auditor's report for the last financial year that ended before the AGM.

In accordance with Section 250S of the Corporations Act, Shareholders will be provided with a reasonable opportunity to ask questions or make statements in relation to the management and/or auditors of the Company, the financial report, directors' report and the auditor's report but no formal resolution to adopt the reports will be put to Shareholders at the AGM (save for Resolution 1 for adoption of the Remuneration Report).

The Company's Annual Report is available from the Company's website www.kipt.com.au and/or from the ASX Company Announcements Website.



Resolution 1 - Adoption of Remuneration Report

The Corporations Act requires that at a listed company's AGM, a Resolution that the Remuneration Report be adopted must be put to the Shareholders.

The Remuneration Report is set out on pages 14 to 28 of the 2017 Annual Report.

The Remuneration Report sets out the Company's:

- (a) remuneration arrangements for the directors and senior management of the Company; and
- (b) the policies behind, and the structure of, the remuneration arrangements of the Company and the link between remuneration of employees and the Company.

The chair of the meeting must allow a reasonable opportunity for its Shareholders to ask questions about or make comments on the remuneration report at the AGM.

Voting consequences

Under changes to the Corporations Act which came into effect on 1st July 2011, a company is required to put to its Shareholders a resolution proposing the calling of another meeting of Shareholders to consider the appointment of directors of the company (Spill Resolution) if, at consecutive AGMs, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those AGMs a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those AGMs.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (Spill Meeting) within 90 days of the second AGM.

All of the directors of the company (other than the managing director) who were in office when the directors' report (as included in the company's annual financial report for the previous financial year) was approved will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

Previous voting results

At the Company's previous AGM the remuneration report Resolution was passed on a show of hands; the votes cast via proxies against the remuneration report considered at that AGM were fewer than 25%. Accordingly, the Spill Resolution is not relevant for this AGM.

Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

In accordance with sections 250R(4) and 250R(5) of the Corporations Act, the Chairman will not vote any undirected proxies in relation to Resolution 1 unless the Shareholder specifically authorises the Chairman to vote in accordance with the Chair's stated voting intentions. Please note that if the Chair of the AGM is your proxy (or becomes your proxy by default), by completing the proxy form you expressly authorise the Chairman to exercise your proxy on Resolution 1 even though it is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chairman. If you appoint the Chair as your proxy you can direct the Chair to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box on the proxy form.

Pursuant to the Corporations Act, if you elect to appoint a member of Key Management Personnel (other than the Chairman) or any Closely Related Party as your proxy to vote on this Resolution 1, you must direct the proxy how they are to vote, or they will be prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to this Resolution.

Alternatively, Shareholders can nominate as their proxy for the purpose of Resolution 1 a proxy who is not a member of the Company's Key Management Personnel or a Closely Related Party. That person would be permitted to vote undirected proxies.

The Chair intends to vote all available proxies in favour of Resolution 1.



Resolution 2 – Re-election of Mr Paul McKenzie

ASX Listing Rule 14.4 requires that directors of the Company (excluding Managing Director) must not hold office without re-election past the third AGM following the Director's appointment or 3 years, whichever is longer, and ASX Listing Rule 14.5 requires that an election of directors must be held each year.

Rule 5.1 of the Company's constitution requires that 1/3 of the directors of the Company must retire from office at each AGM and further, that if the number of directors is not equal to a multiple of 3 then the number nearest to but not greater than 1/3 retire from office but no director may retain office for more than 3 years without submitting him or herself for re-election. The retiring director is then eligible for re-election at the AGM.

Mr Paul McKenzie has indicated that he will retire from office and seek re-election as a Non-Executive Director of the Company at the AGM. Mr McKenzie's work history and experience is outlined in the directors' report, which forms part of the Annual Report for the Company and is reproduced below.

The Chairman of the AGM will be casting undirected proxies in favour of this Resolution. All directors of the Company will be voting in favour of this Resolution and unanimously recommend that all Shareholders vote in favour of this Resolution.

Mr Paul McKenzie

BSc(Agric), BCom, FAICD, AIAST

Non-Executive Chair

Mr Paul McKenzie has been a director of the Company for more than 12 years. He was appointed as a Non-Executive Director on 29th April 2005 and Chair in July 2009.

Board member since April 2005, appointed Chair July 2009. Paul is the Managing Partner of Agrarian Management, a leading Western Australian agriculture consultancy with offices in Geraldton, Perth and Esperance. Paul has 25 years' experience in agribusiness, management, finance and primary production. He is a past President of the Australian Association of Agricultural Consultants (WA) Inc and a Ministerial Appointee to various agribusiness review and advisory panels. Paul was the founding Chairman of Gage Roads Brewing Co (ASX: GRB) from concept to private company to ASX listing in December 2006, and resigned in May 2008. In June 2008, Paul was appointed director of Rural Financial Counselling Service (WA) ("RFCS"). RFCS administers a federal government funded program in WA under the Department of Agriculture, Fisheries and Forestry.

Paul was appointed Chair of the CRC for Honey Bee Products Ltd in July 2017, and is Ferrier Hodgson's WA Agribusiness Specialist for advisory, reconstruction and recovery appointments.

Recommendation

The Board (other than Mr Paul McKenzie) unanimously recommends that Shareholders vote in favour of Resolution 2. Each Board member intends to vote in favour of the ordinary Resolution in respect of the Shares held by them.

The Chair intends to vote all available proxies in favour of Resolution 2.



Resolution 3 – Ratification of Share issue

On 18th April 2017, the Company announced the placement of 6,028,467 ordinary fully paid Shares to raise approximately \$12.06 million. The Placement was completed and Shares were issued to sophisticated and institutional investors on 24th April 2017. The Company seeks ratification of the issue of the Placement in Resolution 3.

ASX Listing Rule 7.1 provides that an ASX listed company may not issue equity securities comprising more than 15% of its issued shares in any 12 month period without obtaining shareholder approval unless the issue comes within any of the specified exceptions.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1, permitting the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% limit set by ASX Listing Rule 7.1. The effect of such ratification is to restore a company's maximum discretionary power to issue further shares up to 15% of the issued capital of the Company without requiring shareholder approval.

Shareholder approval is therefore sought pursuant to ASX Listing Rule 7.4 to ratify the previous issue of 6,028,467 Shares under the Placement so that the Company refreshes its capacity to issue up to 15% of its issued ordinary capital, if required, in the next 12 months without further shareholder approval.

Disclosure

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.4:

- (i) 6,028,467 Shares were allotted under the Placement;
- (ii) the issue price was \$2.00 per Share
- (iii) the Placement Shares issued were all fully paid ordinary Shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (iv) the Placement Shares were allotted and issued to sophisticated and institutional investors including some existing shareholders, none of whom were related parties of the Company; and
- (v) the funds raised from this issue of the Placement Shares were used towards the acquisition of the Forestry Investments Trust Estate for \$55 million, that was completed on 28th April 2017 and general working capital. For further details refer to the Offer Booklet dated 18th April 2017.

Voting Exclusion

The Voting Exclusion Statement is set out under the Resolution in the Notice of Meeting.

Recommendation

The Board considers that Resolution 3 is in the best interests of the Company as it will provide the Company with greater flexibility when considering future capital raising opportunities.

The Board unanimously recommends that Shareholders vote in favour of Resolution 3. Each Board member intends to vote in favour of the ordinary Resolution in respect of the Shares held by them.

The Chair intends to vote all available proxies in favour of Resolution 3.



Resolution 4 – Reallocation of rights to Mr Graham Holdaway under the Performance Rights Plan for performance rights dated 24 February 2017

Under ASX Listing Rule 10.14 the Company must seek Shareholder approval to grant securities to directors under an employee incentive scheme. The Company seeks to reallocate previously approved issue of ordinary Shares in the Company from Mr John Sergeant to Mr Graham Holdaway under the Performance Rights Plan (“**Plan**”) for performance rights dated 24th February 2017 (“**Rights 24 February 2017**”). The Rights 24 February 2017 were approved by Shareholders at the general meeting held on 24th February 2017.

Resolution 4 seeks approval of Shareholders to permit the Company to reallocate 128,570 (post share-split Shares) from Mr John Sergeant to Mr Graham Holdaway, to be calculated in accordance with the conditions set out below.

In accordance with ASX Listing Rule 7.2, exception 9, a summary of the key terms of the Rights 24 February 2017 and the number of securities issued under the Plan is set out below.

Overview of the Rights 24 February 2017

The objective of the Rights 24 February 2017 is to create a stronger link between executive and employee performance and reward, and increase shareholder value, through the provisions of the Plan.

Eligible participants in the Rights 24 February 2017 are directors of the Company in office at that date, subject to certain employment restrictions.

Subject to the terms of the Plan, each Director, being an Eligible Employee, shall participate in the Plan.

Terms of offer under the Plan are subject to the Plan rules and the terms of the specific offer from time to time.

The Board seeks Shareholder approval to augment directors’ existing remuneration through the issue of performance rights, triggered by meeting the following performance condition:

• the volume-weighted average price (VWAP) of the Company’s Shares exceeds the relevant price, based on the most recently-traded 1,000,000 (pre-share split 100,000) Shares.

All the directors in office at 24th February 2017 and remaining in office until the performance condition is met would be granted performance rights at no cost to the participants under the proposed Plan Rights 24 February 2017, the details of which are summarized in the table below:

A summary of the Performance Rights 24 February 2017 after proposed reallocation and before proposed reallocation on a post-share split basis is set out below:

Shares (post-Split) to be issued to:			Total Shares to be issued J Sergeant & G Holdaway Number.	Escrow period
20 Business Day VWAP	J Sergeant Number.	G Holdaway Number.		
Reallocated Rights				
\$3.50 or above	107,140	107,140	214,280	12 months
\$4.25 or above	85,720	85,720	171,440	12 months
\$5.00 or above	64,280	64,280	128,560	12 months
Total	257,140	257,140	514,280	
Rights prior to reallocation				
\$3.50 or above	160,710	53,570	214,280	12 months
\$4.25 or above	128,580	42,860	171,440	12 months
\$5.00 or above	96,420	32,140	128,560	12 months
Total	385,710	128,570	514,280	



A summary of the Performance Rights 24 February 2017 after proposed reallocation and before proposed reallocation on a pre-share split basis is set out below:

Shares (pre-split) to be issued to:			Total Shares to be issued	
20 Business Day VWAP	J Sergeant Number.	G Holdaway Number.	J Sergeant & G Holdaway Number.	Escrow period
Reallocated Rights				
\$35.00 or above	10,714	5,357	21,428	12 months
\$42.50 or above	8,572	4,286	17,144	12 months
\$50.00 or above	6,428	3,214	12,856	12 months
Total	25,714	12,857	51,428	
Rights prior to reallocation				
\$35.00 or above	16,071	5,357	21,428	12 months
\$42.50 or above	12,858	4,286	17,144	12 months
\$50.00 or above	9,642	3,214	12,856	12 months
Total	38,571	12,857	51,428	

Vesting:

- (1) Tranche 1 vests upon meeting the \$3.50 (pre-share split \$35.00) VWAP and volume condition;
- (2) Tranche 2 vests on the later of:
 - a. upon meeting the \$4.25 (pre-share split \$42.50) VWAP and volume condition; or
 - b. on or after the first business day of July in the financial year following the one in which Tranche 1 vested, providing the most recent 20-day VWAP at the vesting date is at or above \$4.25 (pre-share split \$42.50).
- (3) Tranche 3 vests on the later of:
 - a. upon meeting the \$5.00 (pre-share split \$50.00) VWAP and volume condition; or
 - b. on or after the first business day of July in the financial year following the one in which Tranche 2 vested, providing the most recent 20-day VWAP at the vesting date is at or above \$5.00 (pre-share split \$50.00).

A Director is eligible for the Rights 24 February 2017, if they are in office from the date approved by Shareholders to the date the price and volume conditions are first met.

Performance Conditions to be achieved

At the date of the Notice, the total performance rights to be issued if and when the Plan performance conditions have been met, to Directors Mr John Sergeant and Mr Graham Holdaway or their respective nominees, is set out in the table below:

Director	Value of Shares to be issued based on VWAP	Shares (post-split) Number
Proposed reallocated		
John Sergeant	\$1,060,700	257,140
Graham Holdaway	\$1,060,700	257,140
Total	\$2,121,400	514,280
Prior to reallocation		
John Sergeant	\$1,591,050	385,710
Graham Holdaway	\$530,350	128,570
Total	\$2,121,400	514,280



Disclosures

Listing Rule 10.15 requires that, in addition to the information presented above, the following information must be provided to Shareholders in respect of Resolution 4:

- (i) The maximum number of Shares to be issued to Directors Mr John Sergeant and Mr Graham Holdaway under Rights 24 February 2017 is 128,570 Shares.
- (ii) The following 1,200,000 (pre-share split 120,000) Shares have already been issued on the conversion of Performance Rights 18 January 2017 to the Directors Mr John Sergeant and Mr Graham Holdaway under the Plan in the period since the 24th February 2017 Shareholder approval:

Director	Shares received in the period from 5 th October 2016 to date			
	No. of Shares (post-split)	Share Price (post-split)	No. of Shares (pre-split)	Share Price (pre-split)
John Sergeant ⁽¹⁾	350,000	\$1.92	35,000	\$19.20
Graham Holdaway ⁽¹⁾	116,670	\$1.92	11,667	\$19.20
John Sergeant ⁽²⁾	300,000	\$2.20	30,000	\$22.00
Graham Holdaway ⁽²⁾	100,000	\$2.20	10,000	\$22.00
John Sergeant ⁽³⁾	250,000	\$2.71	25,000	\$27.10
Graham Holdaway ⁽³⁾	83,330	\$2.71	8,333	\$27.10
Total	1,200,000		120,000	

- (1) Shares in the Company to the Directors, John Sergeant and Graham Holdaway under the Plan for performance rights dated 18th January 2016 following the achievement of all conditions including a VWAP threshold of \$1.50 (pre-share split \$15.00);
- (2) Shares in the Company to the Directors, John Sergeant and Graham Holdaway under the Plan for performance rights dated 18th January 2016 following the achievement of all conditions including a VWAP threshold of \$2.00 (pre-share split \$20.00);
- (3) Shares in the Company to the Directors, John Sergeant and Graham Holdaway under the Plan for performance rights dated 18th January 2016 following the achievement of all conditions including a VWAP threshold of \$2.50 (pre-share split \$25.00);
- (iii) Mr John Sergeant and Mr Graham Holdaway (being the Executive Directors of the Company) are persons entitled to participate in the Plan.
- (iv) A voting exclusion statement is included in the Notice of Meeting.
- (v) No loan for an acquisition of Shares will be granted under the Plan.
- (vi) The Company may issue Shares under the Rights 24 February 2017 no later than 12 months after the meeting date they were approved, being 24th of February 2017; and.
- (vii) Shares issued under the Rights 24 February 2017 will rank equally with all other existing Shares in all respects including voting rights and entitlement to participate in dividends and in future rights and bonus issues.

ASX Listing Rule 10.15A

The Company will, in accordance with ASX Listing Rule 10.15A, publish details of shares issued pursuant to the Rights 24 February 2017 in each annual report of the entity relating to a period in which securities have been issued, and that approval for the issue of securities was obtained under ASX Listing Rule 10.14.

Persons who might otherwise become entitled to participate in the Plan after the resolution was approved and who are not named in the notice of meeting will not participate unless and until approval is obtained under ASX Listing Rule 10.14.

Voting Exclusion

The Voting Exclusion Statement is set out under the Resolution in the Notice of Meeting.

Recommendation

The directors (excluding Mr John Sergeant and Mr Graham Holdaway) recommend that Shareholders vote in favour of Resolution 4; and they intend to vote in favour of the ordinary Resolution 4 in respect of the Shares held by them.

The Chairman intends to vote all available proxies in favour of Resolution 4.



Resolutions 5 and 6 - Approval of issue of Shares to Directors under the Performance Rights Plan for performance rights dated 10 November 2017

Under ASX Listing Rule 10.14 the Company must seek Shareholder approval to grant securities to directors under an employee incentive scheme. The Company seeks to issue ordinary Shares in the Company to Directors John Sergeant, Paul McKenzie, Shauna Black, Graham Holdaway and Gregory Boulton under the Performance Rights Plan ("Plan") for performance rights dated 10th November 2017 ("Rights 10 November 2017"). The Rights 10 November 2017 have similar terms as the Rights 24 February 2017, which were approved by Shareholder on 24 February 2017.

Resolutions 5 and 6 seek approval of Shareholders to permit the Company to issue up to 899,990 Shares in aggregate to the Directors, to be calculated in accordance with the conditions set out below.

In accordance with ASX Listing Rule 7.2, exception 9, a summary of the key terms of the Rights 10 November 2017 and the number of securities issued under the Plan is set out below.

Overview of the Rights 10 November 2017

The objective of the Rights 10 November 2017 is to create a stronger link between executive and employee performance and reward, and increasing shareholder value, through the provisions of the Plan.

Eligible participants in the Rights 10 November 2017 are directors of the Company in office at that date, subject to certain employment restrictions.

Subject to the terms of the Plan, each Director, being an Eligible Employee, shall participate in the Plan.

Terms of offer under the Plan are subject to the Plan rules and the terms of the specific offer from time to time.

The Board seeks Shareholder approval to augment directors' existing remuneration through the issue of performance rights that will commence on 24th February 2018, triggered by meeting the following performance condition:

• the volume-weighted average price (VWAP) of the Company's Shares exceeds the relevant price, based on the most recently-traded 1,000,000 Shares.

The Rights 24 February 2017 expire on 23rd February 2018. The Rights 10 November 2017 replace Rights 24 February 2017.

If the Rights 10 November 2017 are approved by Shareholders, all directors in office at the commencement date being 23rd February 2018 and remaining in office until the performance condition is met would be granted performance rights at no cost to the participants under the proposed Plan Rights 10 November 2017, the details of which are summarized in the table below:

20 Business Day VWAP	Shares to be issued to:		Total Shares to be issued to Directors Number.	Escrow period
	J Sergeant & G Holdaway Number.	P McKenzie, S Black & G Boulton Number.		
\$3.50 or above	107,140	53,570	374,990	12 months
\$4.25 or above	85,720	42,860	300,020	12 months
\$5.00 or above	64,280	32,140	224,980	12 months
Total	257,140	128,570	899,990	

Vesting:

- (1) Tranche 1 vests upon meeting the \$3.50 VWAP and volume condition;
- (2) Tranche 2 vests on the later of:
 - a. upon meeting the \$4.25 VWAP and volume condition; or
 - b. on or after the first business day of July in the financial year following the one in which Tranche 1 vested, providing the most recent 20-day VWAP at the vesting date is at or above \$4.25.



- (3) Tranche 3 vests on the later of:
- upon meeting the \$5.00 VWAP and volume condition; or
 - on or after the first business day of July in the financial year following the one in which Tranche 2 vested, providing the most recent 20-day VWAP at the vesting date is at or above \$5.00.

A Director is eligible for the Rights 10 November 2017, if they are in office from the date approved by Shareholders to the date the price and volume conditions are first met.

Performance Conditions to be achieved

At the date of the Notice, the total performance rights to be issued if and when the Plan performance conditions have been met, to each Director or their respective nominees, is set out in the table below:

Director	Value of Shares to be issued based on VWAP	Shares Number
John Sergeant	\$1,060,700	257,140
Graham Holdaway	\$1,060,700	257,140
Full-time Executive Director total	\$2,121,400	514,280
Paul McKenzie	\$530,350	128,570
Shauna Black	\$530,350	128,570
Gregory Boulton	\$530,350	128,570
Other Director total	\$1,591,050	385,710
Total	\$3,712,450	899,990

Disclosures

Listing Rule 10.15 requires that, in addition to the information presented above, the following information must be provided to Shareholders in respect of Resolutions 5 and 6:

- The maximum number of Shares to be issued to each Non-Executive Director and part-time Executive Director under Rights 10 November 2017 is 128,570 Shares.
- The maximum number of Shares to be issued to each full-time Executive Director under Rights 10 November 2017 is 257,140 Shares.
- The following 1,800,000 (pre-split 180,000) Shares have already been issued on the conversion of Performance Rights 18 January 2017 to the following directors in the period since the 24th February 2017 Shareholder approval:

Director	Shares received in the period from 5 th October 2016 to date			
	No. of Shares (post-split)	Share Price (post-split)	No. of Shares (pre-split)	Share Price (pre-split)
John Sergeant ⁽¹⁾	350,000	\$1.92	35,000	\$19.20
Paul McKenzie ⁽¹⁾	116,670	\$1.92	11,667	\$19.20
Graham Holdaway ⁽¹⁾	116,670	\$1.92	11,667	\$19.20
Shauna Black ⁽¹⁾	116,670	\$1.92	11,667	\$19.20
Total	700,010	\$1.92	70,001	\$19.20
John Sergeant ⁽²⁾	300,000	\$2.20	30,000	\$22.00
Paul McKenzie ⁽²⁾	100,000	\$2.20	10,000	\$22.00
Graham Holdaway ⁽²⁾	100,000	\$2.20	10,000	\$22.00
Shauna Black ⁽²⁾	100,000	\$2.20	10,000	\$22.00
Total	600,000	\$2.20	60,000	\$22.00
John Sergeant ⁽³⁾	250,000	\$2.71	25,000	\$27.10
Paul McKenzie ⁽³⁾	83,330	\$2.71	8,333	\$27.10
Graham Holdaway ⁽³⁾	83,330	\$2.71	8,333	\$27.10
Shauna Black ⁽³⁾	83,330	\$2.71	8,333	\$27.10
Total	499,990	\$2.71	49,999	\$27.10
TOTAL	1,800,000		180,000	



- (1) Shares in the Company to the Directors, John Sergeant, Paul McKenzie, Shauna Black and Graham Holdaway under the Plan for performance rights dated 18th January 2016 following the achievement of all conditions including a VWAP threshold of \$1.50 (pre-share split \$15.00);
 - (2) Shares in the Company to the Directors, John Sergeant, Paul McKenzie, Shauna Black and Graham Holdaway under the Plan for performance rights dated 18th January 2016 following the achievement of all conditions including a VWAP threshold of \$2.00 (pre-share split \$20.00); and
 - (3) Shares in the Company to the Directors, John Sergeant, Paul McKenzie, Shauna Black and Graham Holdaway under the Plan for performance rights dated 18th January 2016 following the achievement of all conditions including a VWAP threshold of \$2.50 (pre-share split \$25.00).
- (iv) John Sergeant, Paul McKenzie, Shauna Black, Graham Holdaway and Gregory Boulton, (being Directors of the Company) are the persons entitled to participate in the Plan.
- (v) A voting exclusion statement is included in the Notice of Meeting.
- (vi) No loan for an acquisition of Shares will be granted under the Plan.
- (vii) The Company may issue Shares under the Rights 10 November 2017 from the commencement date being 23rd February 2017 to, no later than 12 months after the upcoming meeting to be held on the 10th of November 2017; and.
- (viii) Shares issued under the Rights 10 November 2017 will rank equally with all other existing Shares in all respects including voting rights and entitlement to participate in dividends and in future rights and bonus issues.

ASX Listing Rule 10.15A

The Company will, in accordance with ASX Listing Rule 10.15A, publish details of shares issued pursuant to the Rights 10 November 2017 in each annual report of the entity relating to a period in which securities have been issued, and that approval for the issue of securities was obtained under ASX Listing Rule 10.14.

Persons who might otherwise become entitled to participate in the Plan after the resolution was approved and who are not named in the notice of meeting will not participate unless and until approval is obtained under ASX Listing Rule 10.14.

Voting Exclusion

The Voting Exclusion Statement is set out under the Resolution in the Notice of Meeting.

No recommendation

The directors, being interested parties, make no recommendation in respect of Resolutions 5 and 6 and the corresponding grant of Performance Rights and, ultimately, Shares to each Director.

However, the Chairman intends to vote all available proxies in favour of Resolutions 5 and 6.



Special Resolution 7 – Approval to increase share issue capacity under Listing Rule 7.1A

ASX Listing Rule 7.1A enables small to mid-cap listed companies to seek Shareholder approval by special Resolution to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue by way of placements over a 12 month period (10% Placement Facility).

This is in addition to the existing 15% placement capacity permitted by Listing Rule 7.1. Resolution 7 is seeking approval of Shareholders by special Resolution for the issue of such number of equity securities as calculated under the formula in ASX Listing Rule 7.1A.2, at an issue price as permitted by ASX Listing Rule 7.1A.3 to such persons as the Board may determine and on the terms described in this Explanatory Memorandum.

A company is eligible to seek Shareholder approval for this additional placement capacity if it satisfies both of the following criteria at the date of the AGM:

- a) It has a market capitalisation of AU\$300 million or less; and
- b) Is not included in the S&P/ASX 300 Index.

The Company currently satisfies both of the above criteria, and it is anticipated that it will satisfy both these criteria at the date of the AGM as well.

The number of Shares which may be issued or the Company may agree to issue, under the approval sought by Resolution 7 is calculated in accordance with the following formula as set out in ASX Listing Rule 7.1A.2:

(A X D) – E

Where:

A is the number of shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the Company's 15% placement capacity without Shareholder approval;
- (iv) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in ASX Listing Rule 7.1 when calculating the Company's 15% placement capacity.

D is 10%

E is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under ASX Listing Rule 7.1 or 7.4.

Minimum Price

For the purposes of ASX Listing Rule 7.3A, the following information is provided:

- J The minimum price at which the ordinary Shares will be issued will be no less than 75% of the volume weighted average price for ordinary shares calculated over the 15 trading days on which trades are recorded immediately before:
 - a) the date on which the price at which the securities are to be issued is agreed; or
 - b) if the securities are not issued within 5 trading days of the date in paragraph (a) above, the date on which the securities are issued.



-) The existing ordinary Shareholders face the risk of economic and voting dilution as a result of the issue of equity shares which are the subject of this Resolution, to the extent that such Shares are issued; including:
- a) the market price of ordinary shares may be significantly lower on the issue date than on the date on which this approval is being sought; and
 - b) the ordinary shares may be issued at a price that is at a discount to the market price for those ordinary shares on the issue date.

Risk of Voting Dilution

The following table gives examples of the potential dilution of existing ordinary Shareholders on the basis of the current market price of the Company's ordinary Shares and the current number of ordinary Shares as at the date of this Notice of Meeting and Explanatory Memorandum (Variable A) calculated in accordance with the formula in ASX Listing Rule 7.1A(2) as at the date of this Notice of Meeting and Explanatory Memorandum. The table also shows:

-) examples of where Variable A has increased by 50%, and by 100%, respectively. The number of ordinary securities on issue may increase as a result of issues or ordinary securities that do not require Shareholder approval (for example the pro-rata entitlement issue or script issue under a takeover offer) or future specific requirements under Listing Rule 7.1 that are approved as a future Shareholders meeting; and
-) examples of where the issue price of ordinary securities has decreased by 50%, and increased by 100%, respectively, as against the current market price.

Number of Shares on issue Variable A (ASX Listing Rule 7.1A(2))		Dilution		
		50% decrease in issue price \$1.10	Issue price \$2.20	100% increase in issue price \$4.40
Current Variable A is the current number of Shares on issue 40,874,809	10% voting Dilution	4,087,481 Ordinary Shares	4,087,481 Ordinary Shares	4,087,481 Ordinary Shares
	Funds raised	\$4,496,229	\$8,992,458	\$17,984,916
50% increase in current Variable A 61,312,214	10% voting Dilution	6,131,221 Ordinary Shares	6,131,221 Ordinary Shares	6,131,221 Ordinary Shares
	Funds raised	\$3,093,996	\$6,187,992	\$12,375,984
100% increase in current Variable A 81,749,618	10% voting Dilution	8,174,962 Ordinary Shares	8,174,962 Ordinary Shares	8,174,962 Ordinary Shares
	Funds raised	\$8,992,458	\$17,984,916	\$35,969,833

Notes:

- (i) The table assumes that the Company issues the maximum number of ordinary Shares available under ASX Listing Rule 7.1A.
- (ii) The table assumes that no options or performance rights are exercised for ordinary Shares before the date of the issue of ordinary Shares under ASX Listing Rule 7.1A.
- (iii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility based on that Shareholder's interest at the date of the meeting.
- (iv) The table shows the effect of an issue of ordinary Shares under ASX Listing Rule 7.1A, not under the Company's 15% placement capacity under ASX Listing Rule 7.1.
- (v) The issue price of AU\$2.20 being the closing price of the Shares on 12th September 2017.



Date of Issue

-) The date by which the Company may issue the ordinary Shares is the period commencing on the date of the AGM (to which this Notice of Meeting relates i.e. 10th November 2017) at which approval is obtained and expiring on the first to occur of the following:
- o the date which is 12 months after the date of the AGM at which approval is obtained (i.e. 9th November 2018); and
 - o the date of the approval by Shareholders of the Company's ordinary Shares of a transaction under ASX Listing Rule 11.1.2 or 11.2

The approval under ASX Listing Rule 7.1A will cease to be valid in the event that holders of the Company's ordinary Shares approve a transaction under ASX Listing Rule 11.1.2 or 11.2.

Purpose of Issue under 10% Placement Facility

-) The ordinary Shares will be issued for the purpose of raising working capital for the Company and may be issued for non-cash consideration. In addition to the application of the funds to general working capital purposes, the funds will be applied to the maintenance, exploration and evaluation, if warranted, of existing projects and/or leases; the acquisition of working interests in new projects and/or leases and the development, if warranted of existing and/or new projects.

Allocation under the 10% Placement Capacity

-) The Company's allocation policy is dependent on the prevailing market conditions at the times of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of equity securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- o The methods of raising funds that are available to the Company;
 - o The effect of the issue of the Equity Securities on the control of the Company. Allocation will be subject to takeover thresholds;
 - o The financial situation and solvency of the Company; and
 - o Advice from corporate, financial and broking advisors (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Previous Approval under ASX Listing Rule 7.1A

-) The Company obtained approval under ASX Listing Rule 7.1A at a previous AGM held on 5th October 2016 and since that date it has issued 1,587,238 Shares under ASX Listing Rule 7.1A.

As the Company has previously obtained Shareholder approval under Listing Rule 7.1A, and is now seeking Shareholder approval to renew its capacity to issue an additional 10% of its issued capital under Listing Rule 7.1A, it is required by Listing Rule 7.3A.6 to provide details of all issues of securities in the 12 months preceding the date of the meeting.

As required by Listing Rule 7.3A.6(a) the total number of securities issued preceding the date of the meeting and the percentage they represent of the Company's securities on issue at the commencement of that 12 month period are presented in the table below:

Total Number of Shares Issued in Last 12 Months [LR7.3A.6(a)]	
Number of ordinary Shares (post-split) Issued	23,685,969
Percentage of Equities Issued	138%



As required by Listing Rule 7.3A.6(b) the details of all issues of securities by the Company during the 12 months preceding the date of the meeting are detailed below:

Shares Issued in Last 12 Months [LR7.3A.6(a)]	
Number of Ordinary Shares (pre-split) on issue at 5 th October 2016	1,718,884
Non cash: Performance Rights dated 18th January 2017 Share issue ⁽ⁱ⁾	180,000
Cash: Shares (pre-split) issued under pro-rata non-renounceable entitlement offer announced on 9 November 2016 at \$25.00 per pre-split share (\$2.50 post-share split)	513,468
Share split on the basis of 10:1	21,711,168
Cash: Shares (post-split) issued under pro-rata non-renounceable entitlement offer and placement announced on 12 April 2017 at \$2.00 per post-split Share.	16,750,289
Non-cash: Share-based payment at \$2.00 per Share (post-split) to employees issued on 27 June 2017 under the Executive & Employee Share Loan Scheme.	1,000
Number of Ordinary Shares (post-split) on issue at 25th September 2017	40,874,809

- (i) The following 1,800,000 (pre-split 180,000) Shares have been issued to the following directors in October 2016 under the Performance Rights Plan:

Director	No. of Shares (post-split)	Share Price (post-split)	No. of Shares (pre-split)	Share Price (pre-split)
John Sergeant ⁽¹⁾	350,000	\$1.92	35,000	\$19.20
Paul McKenzie ⁽¹⁾	116,670	\$1.92	11,667	\$19.20
Graham Holdaway ⁽¹⁾	116,670	\$1.92	11,667	\$19.20
Shauna Black ⁽¹⁾	116,670	\$1.92	11,667	\$19.20
Total	700,010	\$1.92	70,001	\$19.20
John Sergeant ⁽²⁾	300,000	\$2.20	30,000	\$22.00
Paul McKenzie ⁽³⁾	100,000	\$2.20	10,000	\$22.00
Graham Holdaway ⁽³⁾	100,000	\$2.20	10,000	\$22.00
Shauna Black ⁽³⁾	100,000	\$2.20	10,000	\$22.00
Total	600,000	\$2.20	60,000	\$22.00
John Sergeant ⁽³⁾	250,000	\$2.71	25,000	\$27.10
Paul McKenzie ⁽³⁾	83,330	\$2.71	8,333	\$27.10
Graham Holdaway ⁽³⁾	83,330	\$2.71	8,333	\$27.10
Shauna Black ⁽³⁾	83,330	\$2.71	8,333	\$27.10
Total	499,990	\$2.71	49,999	\$27.10
TOTAL	1,800,000		180,000	

- (1) Shares in the Company to the Directors, John Sergeant, Paul McKenzie, Shauna Black and Graham Holdaway under the Plan for performance rights dated 18th January 2016 following the achievement of all conditions including a VWAP threshold of \$1.50 (pre-share split \$15.00);



- (2) Shares in the Company to the Directors, John Sergeant, Paul McKenzie, Shauna Black and Graham Holdaway under the Plan for performance rights dated 18th January 2016 following the achievement of all conditions including a VWAP threshold of \$2.00 (pre-share split \$20.00; and
- (3) Shares in the Company to the Directors, John Sergeant, Paul McKenzie, Shauna Black and Graham Holdaway under the Plan for performance rights dated 18th January 2016 following the achievement of all conditions including a VWAP threshold of \$2.50 (pre-share split \$25.00).

Voting Exclusion

The Voting Exclusion Statement is set out under the Resolution in the Notice of Meeting. At the date of the Notice, the proposed allottees of any Securities which may be issued in accordance with this Resolution are not as yet known or identified. In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the Securities which may be issued in accordance with this Resolution), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

Resolution 7 is a special Resolution. For a special Resolution to be passed, at least 75% of the votes cast by Shareholders entitled to vote on Resolution 7 must be in favour of the Resolution.

Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 7. Each Board member intends to vote in favour of the Resolution in respect of the Shares held by them.

The Chair intends to vote all available proxies in favour of Special Resolution 7.



Questions from Shareholders

For meeting of the Company to be held at the at Grant Thornton's office Level 3, 170 Frome Street, Adelaide, South Australia 5000 on Friday, 10th November 2017 at 10:00am (CDT) (Adelaide local time).

Name of Shareholder: _____

Questions

Please mark the box next to the question if it is directed to the auditor.

1.	_____	<input type="checkbox"/>

2.	_____	<input type="checkbox"/>

3.	_____	<input type="checkbox"/>

Lodging this Form

Please submit this form to the Company no later than no later than 5pm (CDT) on 3rd November 2017 to either:

By fax	(08) 8223 1685
By email	vicky.allinson@kipt.com.au
By post	Aurora House, Suite 816, 147 Pirie Street Adelaide SA 5000

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MR SAM SAMPLE
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By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia



Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 556 161
(outside Australia) +61 3 9415 4000

Proxy Form

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 <p>Vote and view the annual report online</p> <ul style="list-style-type: none"> • Go to www.investorvote.com.au or scan the QR Code with your mobile device. • Follow the instructions on the secure website to vote. 	
<p>Your access information that you will need to vote:</p> <p>Control Number: 999999</p> <p>SRN/HIN: I9999999999 PIN: 99999</p> <p>PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.</p>	

 **For your vote to be effective it must be received by 10:00am (Adelaide time) Wednesday 8 November 2017**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



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I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Kangaroo Island Plantation Timbers Limited hereby appoint

☐

the Chairman
of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Kangaroo Island Plantation Timbers Limited to be held at Grant Thornton's office at Level 3, 170 Frome Street, Adelaide, South Australia on Friday 10 November 2017 at 10:00am (Adelaide time) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Items 1, 4, 5 & 6** (except where I/we have indicated a different voting intention below) even though **Items 1, 4, 5 & 6** are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Items 1, 4, 5 & 6** by marking the appropriate box in step 2 below.

STEP 2

Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Mr Paul McKenzie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Ratification of Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Reallocation of rights to Mr Graham Holdaway under the Performance Rights Plan for performance rights dated 24 February 2017	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Approval of issue of additional Shares to the full-time Executive Directors under the Performance Rights Plan for performance rights dated 10 November 2017	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Approval of issue of additional Shares to each Non-Executive Director and Part-time Executive Director under the Performance Rights Plan for performance rights dated 10 November 2017	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	Approval of increased Share issue capacity under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

_____ / _____ / _____

Date

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