



Henry Morgan

Henry Morgan Limited ACN 602 041 770

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Henry Morgan Limited (**Company**) will be held on **Thursday 30 November 2017** at **10.00am** (Brisbane time) at the Queensland Club, 19 George Street, Brisbane QLD 4000.

Financial statements and reports

To receive and consider the Company's Directors' Report, Financial Statements and Auditor's Report for the year ended 30 June 2017.

Note: There is no requirement for shareholders to approve these reports.

Resolution 1: Election of director

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

"That Ms Vanessa Gunner, who was appointed as a director on 30 May 2017 and who retires in accordance with rule 19.2 of the Company's Constitution, be elected as a director of the Company".

Note: The non-candidate directors support the election of Ms Vanessa Gunner.

Resolution 2: Election of director

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

"That Dr William (George) Earl, who was appointed as a director on 19 July 2017 and who retires in accordance with rule 19.2 of the Company's Constitution, be elected as a director of the Company".

Note: The non-candidate directors support the election of Dr George Earl.

Resolution 3: Election of director

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

"That Mr Peter Alexander Ziegler, who was appointed as a director on 19 July 2017 and who retires in accordance with rule 19.2 of the Company's Constitution, be elected as a director of the Company".

Note: The non-candidate directors support the election of Mr Peter Ziegler.

Resolution 4: Remuneration report

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

"That the Company adopt the Remuneration Report for the financial year ended 30 June 2017".

Voting Exclusion: This resolution is advisory only and does not bind the Company or the directors. The directors will consider the outcome of the vote and comments made by shareholders on the remuneration report at the meeting when reviewing the Company's remuneration policies. The Company will disregard any votes cast on this resolution:

- (a) by or on behalf of any KMP member whose remuneration details are included in the Remuneration Report, and by any of their Closely Related Parties, regardless of the capacity in which the votes are cast; and



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- (b) by any person who is a KMP member as at the time the resolution is voted on at the AGM, and by any of their Closely Related Parties, as a proxy, unless the votes are cast as a proxy for a person who is entitled to vote on the resolution:
 - (i) in accordance with a direction in the proxy appointment; or
 - (ii) by the Chairman of the AGM in accordance with an express authorisation in the proxy appointment to cast the votes even if the resolution is connected directly or indirectly with the remuneration of a KMP member.

Resolution 5: Increase of remuneration cap for Directors of the Company

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

“That in accordance with Listing Rule 10.17 of the Official Listing Rules of the ASX Limited (ASX) and rule 19.5 of the Company's Constitution, the total aggregate annual remuneration payable to Directors of the Company be increased by \$250,000, from \$200,000 to a maximum of \$450,000.”

Voting Exclusion: The Company will disregard any votes cast on this resolution:

- (a) by the Directors of the Company, and by any Associates of the Directors of the Company; and
- (b) by or on behalf of any KMP member (which includes the Chairman) of the Company, or by any of their Closely Related Parties, who are appointed as a Shareholder's proxy;

unless the votes are cast:

- (a) by a person as a proxy for a person who is entitled to vote on the Resolution, in accordance with a direction in the proxy appointment; or
- (b) by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with an express authorisation in the proxy appointment to vote undirected votes as the Chairman decides even if the resolution is connected directly or indirectly with the remuneration of Directors.

Resolution 6: Approval of 10% additional placement facility

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

“That for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to have the additional capacity to issue equity securities under Listing Rule 7.1A, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, and on the terms and conditions set out in the Explanatory Statement”.

Voting Exclusion: The Company will disregard any votes cast on this resolution by a person who may participate, or has agreed to participate in the proposed issue and any person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary shares) if the resolution is passed, and any associate of any such person. However, the Company need not disregard a vote if it is cast by a person as a 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 the directions on the Proxy Form to vote as the proxy decides.

By order of the Board of Directors

Kevin Mischewski
Company Secretary
30 October 2017



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Entitlement to vote

The Directors have determined that, for the purpose of voting at the Meeting, shares in the Company will be taken to be held by the Shareholders on 28 November 2017 at 7:00pm (Sydney time).

PROXIES

In accordance with Section 249L of the *Corporations Act 2001*, Shareholders are advised that:

- each Shareholder who is entitled to attend and cast a vote at the meeting has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, then in accordance with Section 249X(3) of the *Corporations Act*, each proxy may exercise half of the votes. Fractions are disregarded.
- If you wish to appoint a proxy and are entitled to do so, please complete and return the attached proxy form.
- A corporation may elect to appoint a representative rather than a proxy, in accordance with the *Corporations Act*. In this case, the Company will require written proof of the representative's appointment, which must be lodged with or presented to the Company prior to the meeting.

The instrument appointing the proxy must be received by the Company's Registry at the address specified below at least 48 hours before the time notified for the Meeting (proxy forms can be lodged by facsimile).

**Postal
Address**

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Address

Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

*during business hours Monday to Friday 9.00am - 5.00pm

**Facsimile
Number**

02 9287 0309



EXPLANATORY STATEMENT

Henry Morgan Limited ACN 602 041 770

This Explanatory Statement has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting. It forms part of the Notice of Meeting and must be read together with that Notice.

Purpose of the Meeting

The purpose of the Meeting is to consider and vote on the Resolutions.

Entire document

Shareholders are encouraged to read this document in its entirety before making a decision on how to vote on the Resolutions being considered at the Meeting. If you have any doubt how to deal with this document, please consult your legal, financial or other professional advisor.

Glossary

Certain terms and abbreviations used in the Explanatory Statement have defined meanings, which are set out in the Glossary contained in section 8 of this Explanatory Statement.

1. FINANCIAL STATEMENTS AND REPORT

The financial statements, directors' report and auditor's report for Henry Morgan Limited for the year ended 30 June 2017 were included in the 2017 annual report of the Company, a copy of which is available on the Company's website www.henrymorgan.com.au. There is no requirement for shareholders to approve these reports. However, the Chairman will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the operations and management of the Company. Shareholders will be given a reasonable opportunity to ask the auditor questions.

2. RESOLUTION 1: ELECTION OF DIRECTOR – VANESSA GUNNER

Ms Vanessa Gunner was appointed as a director on 30 May 2017 under rule 19.2 of the Company's Constitution. Ms Gunner is a member of the Audit and Risk Committee. Ms Gunner's skills and experience are set out below:

Vanessa Gunner BBus, GDipAppFinInv, CA ANZ, ACA, SA FIN, MAICD, MIOd

Vanessa was formerly Interim Chief Operating Officer at Barclays Capital and Barclays Wealth for Corporate Real Estate Services, and has over 22 years of experience in Banking and Financial Services, Telecoms, Technology, Facilities Management, Pharmaceuticals, Transport, Publishing and Tech Start-ups. Her broad experience across over 20 bluechip companies includes leading strategic development, financial analysis and business modelling, programme and change management, business process re-design, systems integration, logistics, building new data platforms, organisational design and research and development, across jurisdictions including Europe, Middle East, Africa and the Asia Pacific.

Vanessa holds qualifications in business, investment and corporate finance.

Board recommendation

The non-candidate directors support the election of Ms Vanessa Gunner.



3. RESOLUTION 2: ELECTION OF DIRECTOR – DR GEORGE EARL

Dr William George Earl was appointed as a director on 19 July 2017 under rule 19.2 of the Company's Constitution. Dr Earl's skills and experience are set out below:

Dr George Earl DipQS, Grad.Dip (Property Development), MSc (Project Management), PhD

George has had a long and illustrious academic career. George has held senior academic positions at a number of prestigious universities in Queensland and Asia, including the University of Queensland, the Queensland University of Technology, the National University of Singapore, the University of New South Wales, as well as having been Dean of the Faculty of Business at Bond University. George has extensive experience in economics and property development valuation. He is chairman of the National Affordable Housing Consortium, and CEO of Sustainable Living Infrastructure Consortium.

Board recommendation

The non-candidate directors support the election of Dr George Earl.

4. RESOLUTION 3: ELECTION OF DIRECTOR – PETER ZIEGLER

Mr Peter Alexander Ziegler was appointed as a director on 19 July 2017 under rule 19.2 of the Company's Constitution. Mr Ziegler is the Chairman of the Audit and Risk Committee. Mr Ziegler's skills and experience are set out below:

Mr Peter Ziegler B Com (Hons), LLB (Hons), MFM (Qld), CA, FCPA, CTA

Peter is a chartered accountant, chartered tax adviser and a Solicitor. He is an experienced company director with a long career both as an advisor to, and as an executive in, industry. Peter has previously been a partner with Ernst & Young. Peter is currently Chairman of the ASX listed Australian Pacific Coal Ltd.

Board recommendation

The non-candidate directors support the election of Mr Peter Ziegler.

5. RESOLUTION 4: REMUNERATION REPORT

The remuneration report of the Company for the financial year ended 30 June 2017 is set out in the Company's Annual Report.

The report sets out the Company's executive remuneration framework and remuneration outcomes for the Board and Key Management Personnel.

The Chairman will allow a reasonable opportunity for shareholders to ask questions about or make comments on the remuneration report at the meeting before calling a vote. The resolution is advisory only. The Board will consider and take into account the outcome of the vote and feedback from shareholders on the remuneration report when reviewing the Company's remuneration policies.

6. RESOLUTION 5: INCREASE OF REMUNERATION CAP FOR DIRECTORS OF THE COMPANY

In order for the total aggregate annual remuneration payable to Directors of the Company to be increased, Listing Rule 10.17 of the ASX Listing Rules and rule 19.5 of the Company's Constitution must be complied with. The ASX Listing Rules and the Constitution provide that the Company must not increase the amount of remuneration payable to Directors of the Company unless Shareholders approve such an increase.

Additionally, Listing Rule 10.17 of the ASX Listing Rules provides that if Non-Executive Directors are paid, the amount paid to all of them in total cannot exceed the amount approved by Shareholders. The amount paid to each individual Non-Executive Director will be a fixed sum as determined at the sole discretion of the Board.



Currently, Directors of the Company are entitled to receive Director's fees as follows:

Mr John McAuliffe	\$58,000 per annum;
Mr Stuart McAuliffe	\$Nil per annum;
Mr Ross Patane	\$52,000 per annum;
Ms Vanessa Gunner	\$48,000 per annum;
Mr George Earl	\$48,000 per annum; and
Mr Peter Ziegler*	\$92,000 per annum.

* Note that Mr Peter Ziegler's Director's fees for the year includes an additional \$44,000 payable from July 2017 to October 2017 in relation to his appointment as Chairman of the Audit and Risk Committee and Chairman of the Committee of Independent Directors. Mr Ziegler's Director's fees revert to \$48,000 per annum in November 2017.

Further, the Non-Executive Directors have not received securities in the Company with Shareholder approval under Listing Rule 10.11 or 10.14 over the past three years.

Shareholder approval is sought to increase the total aggregate annual remuneration payable to Directors of the Company from \$200,000 to a maximum aggregate amongst all Directors of \$450,000 (to be divided between Directors as the Board determines).

It is important to note that whilst the Company is seeking approval to increase the maximum amount that may potentially be payable to Directors, the Board anticipates that the maximum payment limit will not be fully utilised in the short term.

The Board considers that this increase in the total aggregate annual remuneration payable to Directors is necessary to provide the Board with an ability to:

- (a) give the Board strategic flexibility when appointing Directors
- (b) retain and attract Directors of a calibre required to effectively guide and monitor the business of the Company; and
- (c) to maintain the remuneration payable to the current Non-Executive Directors and any additional Directors who might join the Board, as appropriate.

Further details on the remuneration paid to Directors are set forth in the Remuneration Report contained in the Directors' Report section of the Annual Report.

The Company believes that all relevant information concerning Resolution 5 required in respect of Listing Rule 10.17 is included in the text, and accompanying notes, of this resolution in the Notice of Meeting

7. RESOLUTION 6: APPROVAL OF 10% ADDITIONAL PLACEMENT FACILITY

Summary

Under Listing Rule 7.1A, an Eligible Entity may seek shareholder approval by special resolution at an annual general meeting to place additional Equity Securities equivalent to 10% of its issued share capital, in accordance with the terms set out below (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An 'Eligible Entity' for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX300 Index and has market capitalisation of \$300 million or less. The Company is an Eligible Entity.



The Company therefore seeks shareholder approval by way of a special resolution to allow the Company to issue Equity Securities under the 10% Placement Facility for the following 12 months.

The exact number Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A, which is described below.

The Directors believe that this Resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour. No Director or Related Party will participate in any issue under the 10% Placement Facility unless specific approval is obtained for the purposes of Listing Rule 10.11.

Details

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice of Meeting, the Company has Listed Shares and Listed Options.

(c) Formula

Listing Rule 7.1A.2 provides that Eligible Entities which have obtained shareholder approval at an annual general meeting may issue, during the 12-month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:	A =	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 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 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.
	D =	10%
	E =	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 Listing Rule 7.1 or 7.4.

The ability of the Company to issue Equity Securities under Listing Rule 7.1A is in addition to its 15% placement capacity under Listing Rule 7.1. As at the date of this Notice of Meeting, the Company has on issue 30,615,140 Shares, and therefore has a capacity to issue:

- (i) 4,592,271 Equity Securities under Listing Rule 7.1; and



- (ii) subject to shareholder approval being received under this Resolution, a further 3,061,514 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2, set out above.

(d) Minimum issue price

The issue price of Equity Securities issued under Listing Rule 7.1A must not be less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(e) Issue period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid during the **Placement Period**, being from the date of the annual general meeting at which the approval is obtained and expires on the earlier of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; and
- (ii) the date of the approval by shareholders of a transaction under Listing Rule 11.1.2 (significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

(f) Prescribed information under Listing Rule 7.3A

The following information is provided in accordance with Listing Rule 7.3A:

Minimum price:	Not less than 75% of the VWAP of the Company's Equity Securities over the 15 trading days on which trades in that class were recorded immediately before: <ul style="list-style-type: none">(i) the date on which the price at which the Equity Securities are to be issued is agreed; or(ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
Risks:	If the Resolution is approved by shareholders, and the Company issues Equity Securities under the 10% Placement Facility, existing Shareholders may be subject to both economic and voting power dilution. There is a risk that: <ul style="list-style-type: none">(i) The market price for the Company's Equity Securities may be significantly lower on the date of issue of the Equity Securities than on the date of the Meeting;(ii) The Equity Securities may be issued at a price that is a discount to the market price for the Company's Equity Securities on the issue date for the Equity Securities; and(iii) The Equity Securities may be issued as part of consideration for the acquisition of a new investment or asset, in which case, no funds will be raised by the issue of the Equity Securities.



The table below indicates the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the market price of Shares on 9 June 2017 (being the last day that the shares were traded) and the number of ordinary securities on issue as at the date of this Notice.

The table also demonstrates the potential voting power impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Facility.

Dilution				
Variable A in Listing Rule 7.1A.2		\$1.00 50% decrease in Issue Price	\$1.99 Issue Price	\$3.98 100% increase in Issue Price
Current Variable A 30,615,514 shares	10% voting dilution	3,061,551 shares	3,061,551 shares	3,061,551 shares
	Funds raised	\$3,016,551	\$6,092,486	\$12,184,973
50% increase in current Variable A 45,923,271 shares	10% voting dilution	4,592,327 shares	4,592,327 shares	4,592,327 shares
	Funds raised	\$4,592,327	\$9,138,731	\$18,277,461
100% increase in current Variable A 61,231,028 shares	10% voting dilution	6,123,102 Shares	6,123,102 shares	6,123,102 shares
	Funds raised	\$6,123,102	\$12,184,973	\$24,369,946

The above table is based on the following assumptions:

- (i) The issue price set out above is the closing price of the Shares on the ASX on 9 June 2017 (being the last day that Shares were traded).
- (ii) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (iii) None of the Listed Options that the Company has on issue are exercised before the date of issue of the Equity Securities.
- (iv) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue, assuming Variable A is equal to the total issued share capital.
- (v) The table does not set out any dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- (vi) The table does not set out the effect of issues under the 15% placement capacity under Listing Rule 7.1. Dilution may be greater if issues have also been made utilising the capacity in Listing Rule 7.1.
- (vii) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2.

Date of issue:	The Equity Securities will be issued only during the Placement Period. Shareholder approval for the 10% Placement Facility will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 (significant change to the nature or scale of activities), or Listing Rule 11.2 (disposal of main undertaking).
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Purpose of issue:	<p>The Company may seek to issue the Equity Securities for the following purposes: new investments or assets and general working capital.</p> <p>The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.</p>
Shares issued for non-cash consideration:	<p>The Company may issue Placement Securities for non-cash consideration, such as the acquisition of new assets or investments. If the Company issues Shares for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the Shares complies with Listing Rule 7.1A.3</p>
Allocation policy:	<p>The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of the Equity Securities will be determined on a case by case basis having regard to factors that include, but are not limited to:</p> <ul style="list-style-type: none">(i) Alternative methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;(ii) The effect of the issue of the Equity Securities on the control of the Company;(iii) The financial situation and solvency of the Company; and(iv) Advice from corporate, financial and broking advisors, if appropriate. <p>The allottees under the 10% Placement Facility have not yet been determined at the date of this Notice of Meeting but may include Shareholders and/or new investors who are not Related Parties of the Company or their associates.</p>
Equity Securities issued in the preceding 12 months:	<p>The total number of Equity Securities issued in the 12 months preceding the date of the Meeting is 12,985,075, representing 72.70% of the total number of Equity Securities on issue of the commencement of that 12 month period.</p> <p>The table at Annexure A details all issues of Equity Securities by the Company during the 12 months preceding the date of the Meeting as required by Listing Rule 7.3A.</p>
Voting exclusion statement:	<p>A voting exclusion statement relating to this Resolution is included in the Notice of Meeting.</p>

The Directors unanimously recommend that Shareholders vote in favour of this Resolution.



8. Glossary

Term	Definition
Associates	Has the meaning given to that term in the Corporations Act, and Associated has a corresponding meaning
ASX	ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the context requires)
Closely Related Party/Parties	In relation to 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 dependant of the member or of 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 dealings with the Company; or (e) A company which the member controls.
Company	Henry Morgan Limited ACN 602 041 770
Corporations Act	the <i>Corporations Act 2001</i> (Cth)
Director	A director of the Company
Eligible Entity	An entity that is not included in the S&P/ASX300 Index and has a market capitalisation of \$300 million or less
Equity Securities	Has the meaning given to that term in the Listing Rules
Explanatory Statement	The explanatory statement accompanying and forming part of the Notice of Meeting
Key Management Personnel or KMP	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
Listed Options	Means those options of the Company listed on ASX under code HMLO
Listing Rules	The listing rules of ASX as applicable to the Company from time to time
Meeting	The annual general meeting of the Company to be held at the time and place specified in the Notice of Meeting
Notice of Meeting	This notice of meeting and accompanying Explanatory Statement
Portfolio	The portfolio of investments of the Company
Placement Period	The period defined in section 7(e) of the Explanatory Statement
Proxy Form	The form that accompanies the Notice of Meeting
Resolutions	The resolutions to be put to Shareholders at the Meeting, as set out in the Notice of Meeting
Share	A fully paid ordinary share in the capital of the Company
Shareholder	A holder of a Share
VWAP	Volume Weighted Average Price of the company's ASX-listed Shares trading under the code HML



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Term	Definition
10% Placement Facility	The proposed placement described in section 7 of the Explanatory Statement



ANNEXURE A - ISSUES OF EQUITY SECURITIES BY THE COMPANY DURING THE 12 MONTHS PRECEDING THE MEETING

Fully paid ordinary shares						
Date of issue	Number of Equity Securities issued (Note 1)	Names of persons who received securities or the basis on which those persons were determined	Price at which Equity Securities were issued	Discount to market price of Equity Securities issued	Total cash consideration	Amount of cash spent (Note 2)
5/01/2017	138,000	Exercise of HMLO Options	\$1.00	\$0.54	\$138,000.00	\$138,000.00
16/01/2017	247,653	Exercise of HMLO Options	\$1.00	\$0.55	\$247,653.00	\$247,653.00
20/01/2017	614,849	Exercise of HMLO Options	\$1.00	\$0.54	\$614,849.00	\$614,849.00
25/01/2017	173,270	Exercise of HMLO Options	\$1.00	\$0.57	\$173,270.00	\$173,270.00
30/01/2017	74,000	Exercise of HMLO Options	\$1.00	\$0.69	\$74,000.00	\$74,000.00
1/02/2017	587,915	Exercise of HMLO Options	\$1.00	\$0.76	\$587,915.00	\$587,915.00
2/02/2017	248,105	Exercise of HMLO Options	\$1.00	\$0.76	\$248,105.00	\$248,105.00
3/02/2017	285,564	Exercise of HMLO Options	\$1.00	\$0.75	\$285,564.00	\$285,564.00
6/02/2017	1,261,385	Exercise of HMLO Options	\$1.00	\$0.70	\$1,261,385.00	\$1,261,385.00
7/02/2017	362,242	Exercise of HMLO Options	\$1.00	\$0.71	\$362,242.00	\$362,242.00
8/02/2017	398,500	Exercise of HMLO Options	\$1.00	\$0.69	\$398,500.00	\$398,500.00
9/02/2017	3,350,500	Exercise of HMLO Options	\$1.00	\$0.69	\$3,350,500.00	\$3,350,500.00
10/02/2017	191,100	Exercise of HMLO Options	\$1.00	\$0.70	\$191,100.00	\$191,100.00
13/02/2017	58,636	Exercise of HMLO Options	\$1.00	\$0.70	\$58,636.00	\$58,636.00
14/02/2017	1,872,135	Exercise of HMLO Options	\$1.00	\$0.71	\$1,872,135.00	\$1,872,135.00
15/02/2017	469,597	Exercise of HMLO Options	\$1.00	\$0.76	\$469,597.00	\$469,597.00
16/02/2017	18,000	Exercise of HMLO Options	\$1.00	\$0.59	\$18,000.00	\$18,000.00



Fully paid ordinary shares						
Date of issue	Number of Equity Securities issued (Note 1)	Names of persons who received securities or the basis on which those persons were determined	Price at which Equity Securities were issued	Discount to market price of Equity Securities issued	Total cash consideration	Amount of cash spent (Note 2)
17/02/2017	20,000	Exercise of HMLO Options	\$1.00	\$0.60	\$20,000.00	\$20,000.00
13/03/2017	1,239,801	Allocation per Dividend Reinvestment Plan ⁽³⁾	\$1.42	\$0.08	\$0.00	N/A
28/03/2017	3,120	Exercise of HMLO Options	\$1.00	\$0.64	\$3,120.00	\$3,120.00
31/03/2017	11,895	Exercise of HMLO Options	\$1.00	\$0.68	\$11,895.00	\$11,895.00
4/04/2017	95,000	Exercise of HMLO Options	\$1.00	\$0.64	\$95,000.00	\$95,000.00
12/04/2017	10,500	Exercise of HMLO Options	\$1.00	\$0.74	\$10,500.00	\$10,500.00
3/05/2017	5,000	Exercise of HMLO Options	\$1.00	\$0.95	\$5,000.00	\$5,000.00
26/05/2017	50,697	Exercise of HMLO Options	\$1.00	\$1.08	\$50,697.00	\$50,697.00
2/06/2017	455,292	Exercise of HMLO Options	\$1.00	\$1.04	\$455,292.00	\$455,292.00
6/06/2017	173,135	Exercise of HMLO Options	\$1.00	\$1.03	\$173,135.00	\$173,135.00
8/06/2017	533,500	Exercise of HMLO Options	\$1.00	\$0.95	\$533,500.00	\$533,500.00
30/06/2017	30,684	Exercise of HMLO Options	\$1.00	\$0.99	\$30,684.00	\$30,684.00
11/10/2017	5,000	Exercise of HMLO Options	\$1.00	\$0.99	\$5,000.00	\$5,000.00

Notes:

(1) Shares rank pari passu with all other fully paid ordinary shares on issue in the Company.

(2) Use of cash consideration: The cash proceeds from all share issues were spent on listed and unlisted investments.

(3) Non-cash consideration received in relation to ordinary shares issued under Dividend Reinvestment Plan is \$1,763,624. Current value of non-cash consideration is \$1,763,624 based on the cash retained by the Company.



Henry Morgan
ACN 602 041 770

LODGE YOUR VOTE



BY EMAIL

vote@linkmarketservices.com.au



BY MAIL

Henry Morgan Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138



ALL ENQUIRIES TO

Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Henry Morgan Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY



the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10.00am (Brisbane time) on Thursday, 30 November 2017 at the Queensland Club, 19 George Street, Brisbane QLD 4000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Resolutions 4 and 5: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 4 and 5, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒.

Resolutions

1 Election of Director – Vanessa Gunner

For Against Abstain*

☐ ☐ ☐

2 Election of Director – Dr George Earl

☐ ☐ ☐

3 Election of Director – Peter Ziegler

☐ ☐ ☐

4 Remuneration Report

☐ ☐ ☐

5 Increase of remuneration cap for Directors of the Company

For Against Abstain*

☐ ☐ ☐

6 Approval of 10% additional placement facility

☐ ☐ ☐


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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HML PRX1701C



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. 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 this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10.00am (Brisbane time) on Tuesday, 28 November 2017**, being not 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.

Proxy Forms may be lodged using the reply paid envelope or:



BY EMAIL

vote@linkmarketservices.com.au



BY MAIL

Henry Morgan Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**