



the **Hydroponics** company

www.thcl.com.au

6 February 2018

Notice of Meeting Called by Alan Beasley

Notice of Shareholders Meeting Called by Mr Beasley

As announced on 12 January 2018, the Company had received a letter of intention to call an extraordinary general meeting of shareholders (**EGM**), from Mr Alan Beasley, a non-executive director of the Company.

At 5.02 p.m. yesterday, the Company received a copy of the formal notice to shareholders, being issued by Mr Beasley (**EGM Notice**) – not the Company – to convene the EGM.

The EGM Notice has been issued by Mr Alan Beasley in his capacity as a Director. It was not authorised, and is not supported, by the Company or the majority of Directors of the Company.

Nevertheless, in order to keep Shareholders and the market generally fully informed, the Company hereby **attaches a complete copy of the EGM Notice**.

In the coming days the Company will also issue its own fully endorsed and considered notice of Annual General Meeting.

This will be the first annual general meeting ever held by the Company and I actively encourage shareholder participation in learning about the Direction of your Company.

Your Board supported my appointment as Chairman (in place of Mr Beasley) to provide clarity and direction in an evolving market place and to take the necessary decisions required to drive the Company.

Since then, the Company has become recognised as a serious leader in the Medicinal Cannabis sector in Australia.

A complete rebuttal of the various allegations and representations made in the EGM Notice will be published in the next few days.



The Hydroponics Company Limited
(ASX:THC) ACN: 614 508 039

Suite 305, Level 3, 35 Lime Street,
Sydney, NSW, Australia. 2000.

Recommended Action

Given that the Company's Annual General Meeting will be held after but on the same day or very shortly after the convening of Mr Beasley's EGM, the majority of the Board **STRONGLY RECOMMENDS THAT YOU VOTE ALL OF YOUR SHARES AGAINST ALL RESOLUTIONS THAT WILL BE CONSIDERED AT THE EGM.**



Mr Ian Mutton
Chairman
+61 416 270 022

For further information, please contact:



David Radford
Chief Executive Officer

Ian Mutton
Chairman

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5 FEBRUARY 2018

THE HYDROPONICS COMPANY LIMITED

ACN 614 508 039

Notice of General Meeting

Meeting to be held at offices of Baker McKenzie
Level 46, Tower One - International Towers Sydney
100 Barangaroo Avenue, Barangaroo, NSW

on Thursday, 15 March 2018 at 9:00 am Sydney time

This meeting has been called by the Founding Chairman and Continuing Director of the Company in accordance with Article 42.1 of the Company's Constitution.

Alan Beasley, Founding Chairman and Continuing Director of the Company recommends that you vote IN FAVOUR of all resolutions.

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact Alan Beasley on +61 41 999 6365 or Computershare on 1800 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

1. Notice of General Meeting

Notice is given that a General Meeting (**Meeting**) of The Hydroponics Company Limited (the **Company** or **THC**) called by Mr Alan Beasley, Founding Chairman and Continuing Director of the Company, in accordance with Article 42.1 of the Company's Constitution is to be held at 9:00 am (Sydney time) on Thursday 15 March 2018 at the offices of Baker McKenzie, Level 46, Tower One - International Towers Sydney, 100 Barangaroo Avenue, Barangaroo NSW 2000 Australia.

2. Business of the Meeting

Resolution 1: Appointment of Director - Mr Lou Cattelan

*"That, in accordance with Article 57.3 of the Company Constitution, having consented to act, **Lou Cattelan** be appointed as a Director of the Company with immediate effect."*

Resolution 2: Appointment of Director - Mr Gary John Radcliff

*"That, in accordance with Article 57.3 of the Company Constitution, having consented to act, **Gary John Radcliff** be appointed as a Director of the Company with immediate effect."*

Resolution 3: Removal of Director - Mr Ian Mutton

*"That, pursuant to Article 59.3 of the Company Constitution, and for all other purposes, **Ian Mutton** be removed as a Director of the Company effective upon passing of this resolution, subject to there being a minimum of three Directors of the Company."*

Resolution 4: Removal of Director - Ms Mary Verschuer

*"That, pursuant to Article 59.3 of the Company Constitution, and for all other purposes, **Mary Verschuer** be removed as a Director of the Company effective upon passing of this resolution, subject to there being a minimum of three Directors of the Company."*

Resolution 5: Removal of Director - Mr Peter Wallace

*"That, pursuant to Article 59.3 of the Company Constitution, and for all other purposes, **Peter Wallace** be removed as a Director of the Company effective upon passing of this resolution, subject to there being a minimum of three Directors of the Company."*

Resolution 6: Removal of Director - Mr Hamish Macdonald

*"That, pursuant to Article 59.3 of the Company Constitution, and for all other purposes, **Hamish Macdonald** be removed as a Director of the Company effective upon passing of this resolution, subject to there being a minimum of three Directors of the Company."*

Resolution 7: To remove any director appointed from the date of this notice to the date of Meeting

"That, any other director of the Company appointed after the date of this notice and before the date of the Meeting be removed as a Director of the Company with immediate effect subject to there being a minimum of three Directors of the Company."

3. Explanatory Memorandum

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice of Meeting (**Notice**). This meeting has been called by Mr Alan Beasley, Founding Chairman and a continuing director of the Company in accordance with Article 42.1 of the Company's Constitution which allows any director to call a meeting of the Company.

A. THE RESOLUTIONS

Resolutions 1 and 2: Appointment of Mr Lou Cattelan and Mr Gary John Radcliff as directors of the Company

Article 57.3 of the Company's Constitution allows for the appointment of directors by the Company in general meeting. As required by the Company's Constitution, all proposed directors have lodged a consent to act as directors.

Should shareholders pass Resolutions 1 and 2, Mr Lou Cattelan and Mr Gary John Radcliff will become directors of the Company with immediate effect. Their experiences are presented below:

1. Mr Lou Cattelan

Mr Cattelan has over 30 years' experience in Pharmaceutical, Nutraceutical, Complementary Healthcare and allied industry sectors. He specialises in Project Management, Operations, Quality Assurance, Supply Chain, Strategic Planning, New Product Development, Regulatory Compliance (TGA & FDA), Sales & Marketing, Business Development and Special Projects. Mr Cattelan sat on the ASMI (Australian Self Medication Industry – which is the peak industry Body for Australian Pharmaceuticals) Committee for Complementary Medicines to act as a liaison between TGA and key industry stakeholders.

Mr Cattelan is currently a Director of Contract Pharmaceutical Services of Australia (**CPSA**) as well as their Sales & Marketing Director. During his 17 years at CPSA he has consulted with all major Pharma companies including Pfizer, MSD, Mylan and GSK to take innovative concepts through to compliant finished products.

He has also worked in senior hands-on positions with Ella Bache, Milpharma, Sunspot Products, Bayer Pharma and Blackmores.

Following Recommendation 1.2 of the ASX Corporate Governance Principles and Recommendations, Mr Lou Cattelan has provided a national crime check and a national insolvency check to confirm that he is of good fame and character, and is suitable to act as a director of the Company.

Mr Cattelan, if appointed, will be an independent non-executive director of the Company.

2. Mr Gary John Radcliff

Mr Radcliff is a practicing Barrister, having been called to the Bar in 1984 and is the President of the Gold Coast Bar Association. Mr Radcliff is also a specialist adjudicator in relation to Dispute Resolution recognised by the Office of the Commissioner for Body Corporate and Community Management (Queensland, Australia)

Mr Radcliff provides a wealth of experience in corporate governance and compliance matters in both Australia and internationally. In addition to his legal practice, Mr Radcliff has significant experience in project management, corporate advisory and company directorship in a wide range of sectors, most notably; pharmaceuticals, financial services and technology.

Following Recommendation 1.2 of the ASX Corporate Governance Principles and Recommendations, Mr Gary Radcliff has provided a national crime check and a national insolvency check to confirm that he is of good fame and character, and is suitable to act as a director of the Company.

Mr Radcliff, if appointed, will be an independent non-executive director of the Company.

Resolutions 3 to 7: Removal of Mr Ian Mutton, Ms Mary Verschuer, Mr Peter Wallace and Mr Hamish Macdonald as directors of the Company and any other director appointed from the date of this notice and the date of the Meeting

The purpose of Resolutions 3 to 7 is to seek the removal of the current board of directors (other than Mr Alan Beasley and Mr Steven Xu) and any other director appointed by the current board from the date of this notice to the date of the Meeting.

B. Director's recommendation - Why you should vote IN FAVOUR of the resolutions

- As an Independent Director of THC, it is my duty to guide and monitor the management of the Company.
- I am concerned with THC's governance and approach under the majority of the current board. It is my duty to ensure that THC, as a listed company, adheres to the highest level of corporate governance.
- I intend to ensure that the Company consistently operates on the highest level of transparency, communication, fiscal discipline and team approach between all levels of the company, and in its market dealings.
- I am confident that the newly nominated board members will consistently strive to adhere to and meet the requirements under the Corporations Act and the ASX Listing Rules for making timely and balanced disclosure of all material information and to deliver long term shareholder value.
- As a Fellow of the Governance Institute of Australia, Fellow of the Institute of Company Directors, and having served on the ASX listing appeals committee, good Corporate Governance and compliance by companies with the Corporations Act and ASX Listing Rules are of paramount importance to me and have been during my 3 decades of service on the boards of numerous, listed and unlisted, public and private companies. It is of paramount importance to me that the Company, if the proposed resolutions are approved, will have, in my view, appropriate management frameworks in place.

I recommend that all shareholders vote in favour of all the resolutions set out in this Notice.

As a director acting in the best interests of THC shareholders, I believe that the resolutions put forward to shareholders, if approved as proposed, will provide a superior and robust framework for THC's ongoing operations and corporate governance.

Mr Cattelan and Mr Radcliff have significant experience across various sectors and together bring experience in financial management, strategy, pharmaceuticals, nutraceuticals, legislation, regulatory requirements and business development.

To vote **IN FAVOUR** of the resolutions, please either:

1. attend the Meeting in person; or
2. sign and return the enclosed proxy form to Computershare Investor Services by:
 - (a) post to Computershare Investor Services Pty Limited, GPO Box 242 Melbourne Victoria 3001 Australia; or
 - (b) fax to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia); or
 - (c) email to sydreturningofficer@computershare.com.au.
3. **If you support my proposed resolutions, but cannot attend the meeting, please write my name – ALAN BEASLEY, AS THE NAME OF YOUR PROXY**
4. **Please do not leave your proxy blank or undirected, and please do not appoint the Chairman as your proxy.**

C. PLANS FOR THE COMPANY

THC has achieved and can continue to achieve substantial share value increase and shareholder wealth by prioritising value-building.

It is now time for shareholders to directly elect the THC board and clearly indicate their expectations of board strategy and performance.

If the proposed resolutions are passed, it is my intention that the two new directors, along with existing directors (Mr Xu and myself), will:

1. as soon as practicable convene an independent and thorough review of all material contracts, expenses, capital commitments and investigate any related party relationships in relation to the Company;
2. execute the Company's business plan as set out in the prospectus for this financial year and consider additional strategies for the Company;
3. ensure an appropriate level of board independence and reintroduce strict fiscal discipline;
4. reintroduce stricter policies and a corporate structure which is communicative, so that the board will meet as often as it deems necessary to carry out its functions properly; and
5. ensure shareholders are informed of the activities of the Company in a timely manner.

D. HOW WILL THE NEW BOARD TAKE THC FORWARD?

I believe the proposed new board will be able to deliver benefits to THC shareholders, including:

1. The new board's transparent mentality, wide networks, deep skill-sets and experience will foster effective engagement with THC management to expedite high value current initiatives as well as fostering exceptional growth through the building of Company value from within.
2. Given the complex regulatory landscape of the cannabis industry, the new board intends to produce a risk-managed strategy, working with THC management to seize validated opportunities for partnership and investment opportunities.
3. The proposed new board of THC is skilled to address opportunities, and to bring those opportunities into new jurisdictions with the best chance of success.
4. The primary opportunity in hydroponics exists in Canada, where the new board will promote investment and sales growth through clear, market-led strategies focussed on developing market sectors following medicinal and new legal recreational market development. Steven Xu's Canadian investment network is well placed to inform strategic directions and investment approaches for the Canadian market.
5. Medicinal cannabis product development in Australia will require a broad understanding of pharmaceutical industry development across regulation, manufacturing best practices and the crossover of pharmaceutical and nutraceutical industries, Lou Cattelan will bring decades of his expertise and experience to the board.
6. Development of medicinal cannabis sales will benefit from exposure to the pharmaceutical supply chain and strong networks. Lou Cattelan's appreciation of regulatory requirements alongside Gary Radcliff's networks with multiple pharmacy chains will inform and fast-track the actions of THC management.
7. THC will need to increase its international cannabis market engagement and alliance, with Steven Xu bringing engagement with high performing companies across the diversity of international cannabis investments, and advising on strategic partnerships to leverage THC's strengths.
8. Further, potential future acquisitions will greatly benefit from:
 - a. Steven Xu's capability and network in identification and determination of investment potential;
 - b. Alan Beasley's extensive experience as Chairman, director and managing director for multiple small-cap companies, and his extensive background in Investment and financial markets; and
 - c. Gary Radcliff's expertise in legal requirements of public companies and their operation.

E. Resolutions not inter-dependent

None of the resolutions are inter-dependent. This means that one or more of the resolutions can be passed, even though one or more of the other resolutions are not passed by the shareholders.

F. Voting and proxies

Your vote is important

The business of the Meeting affects your shareholding and the outcome may have a large impact on the future of your Company. I encourage you to read this document carefully and your vote is important.

Voting eligibility

Pursuant to Regulation 7.11.37 of the *Corporations Regulation 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00 pm (Sydney time) on Tuesday, 13 March 2018.

Voting in person

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

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return it in accordance with the instructions set out in the Voting form so it is received no later than 9:00 am (Sydney time) on Tuesday 13 March 2018.

Pursuant to section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder 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 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, then in pursuant to section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

If a Proxy Form is signed by an attorney, the original or a certified copy of the power of attorney or other authority under which the Proxy Form is signed must be provided to the Company's share registry in the manner specified in the Proxy Form by no later than 9:00 am (Sydney time) on Tuesday, 13 March 2018.

Voting by corporate representative

A Shareholder or proxy which is a corporation and entitled to attend and vote at the Meeting may appoint an individual to act as its corporate representative to vote at the Meeting. The appointment must comply with section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment and lodge it with the registration desk, unless it has been previously provided to the Company's share registry by the time and in the manner specified in the Proxy Form.

Voting by attorney

Pursuant to Article 54.1 of the Company's Constitution a Shareholder entitled to attend and vote at the Meeting is entitled to appoint an attorney to attend and vote at the Meeting on the Shareholder's behalf. An attorney does not need to be a Shareholder.

The power of attorney appointing the attorney must be signed and specify the name of each of the Shareholder, the Company and the attorney, and also specify the meeting(s) at which the appointment may be used. The appointment may be a standing one.

To be effective, the power of attorney (or certified copy) must also be returned in the same manner and time as specified for Proxy Form or otherwise lodged at the registration desk on the day of the Meeting.


THE HYDROPONICS COMPANY LIMITED

ACN 614 508 039

SAMPN

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

Lodge your vote:

 **Email:**
sydreturningofficer@computershare.com.au

 **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 all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

XX

 **For your vote to be effective it must be received by 9:00am (Sydney time) on Tuesday, 13 March 2018**

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.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf XX

I/We being a member/s of The Hydroponics Company Limited hereby appoint

Alan Beasley **OR**

PLEASE NOTE: Leave this box blank if you have selected Alan Beasley. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, Mr Alan Beasley 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 General Meeting of The Hydroponics Company Limited to be held at the offices of Baker McKenzie, Level 46, Tower One - International Towers Sydney, 100 Barangaroo Avenue, Barangaroo NSW 2000 Australia on Thursday, 15 March 2018 at 9:00am (Sydney time) and at any adjournment or postponement of that meeting.

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
Resolution 1: Appointment of Director - Mr Lou Cattelan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2: Appointment of Director - Mr Gary John Radcliff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3: Removal of Director - Mr Ian Mutton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4: Removal of Director - Ms Mary Verschuer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5: Removal of Director - Mr Peter Wallace	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6: Removal of Director - Mr Hamish Macdonald	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7: To remove any director appointed from the date of this notice to the date of Meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you choose to appoint Mr Alan Beasley, as your proxy, or Mr Alan Beasley is appointed by default, it is expected that Mr Alan Beasley will vote undirected proxies in favour of all resolutions.

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

<p>Individual or Securityholder 1</p> <div style="border: 1px solid black; height: 25px; width: 100%;"></div> <p>Sole Director and Sole Company Secretary</p>	<p>Securityholder 2</p> <div style="border: 1px solid black; height: 25px; width: 100%;"></div> <p>Director</p>	<p>Securityholder 3</p> <div style="border: 1px solid black; height: 25px; width: 100%;"></div> <p>Director/Company Secretary</p>
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Contact Name _____ Contact Daytime Telephone _____ Date ____/____/____