

Notice of Extraordinary General Meeting

AstiVita Limited

ABN 46 139 461 733

To be held at:

Dixon Homes
1821 Ipswich Road
Rocklea, Queensland

On Friday, 7 June 2019 at 11am (Brisbane time)

This is an important document. If you are in any doubt about how to deal with this document, please consult your legal, financial or other professional adviser.

Chairman's letter to Shareholders

9 May 2019

Dear Shareholder

Extraordinary General Meeting

The AstiVita Limited Board invites all Shareholders to attend an Extraordinary General Meeting at 11am on Friday, 7 June 2019, to be held at Dixon Homes, 1821 Ipswich Road, Rocklea, Queensland.

I welcome your attendance at the Extraordinary General Meeting. If you are unable to attend the meeting please complete the attached proxy form and return it in accordance with the instructions provided. To be effective, we must receive your completed proxy form no later than 4:00pm (Brisbane time) on 5 June 2019. If you are using a proxy form, please be sure to fill in all details on that form.

Persons attending as representatives of corporate and institutional Shareholders will be required to produce appropriate evidence of authority to so act.

Yours sincerely

A handwritten signature in black ink, reading 'Lev Mizikovsky' in a cursive script.

Lev Mizikovsky
Chairman

Notice of Extraordinary General Meeting

AstiVita Limited
ABN 46 139 461 733

Notice is given that an Extraordinary General Meeting of AstiVita Limited (ABN 46 139 461 733) (**Company**) will be held at:

Location	Dixon Homes, 1821 Ipswich Road, Rocklea, Queensland
Date	Friday, 7 June 2019
Time	11am (Brisbane Time)

The business to be considered at the meeting is set out below. The Explanatory Memorandum to this Notice of Meeting provides additional information on matters to be considered at the meeting. The Explanatory Memorandum and the proxy form are part of this Notice of Meeting.

Agenda

Ordinary Business

Resolution 1 – Approval of issue of Shares to Rainrose Pty Ltd or its nominee(s)

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

‘That, for the purposes of ASX Listing Rule 10.11, and all other purposes, approval is given for Rainrose Pty Ltd (or its nominee(s)), to subscribe for up to 22,240,000 Shares at an issue price of 15 cents to convert \$3,336,000 from debt to equity, on the terms and conditions set out in the Explanatory Statement.’

Voting Exclusion: The Company will disregard any votes cast on this Resolution by or on behalf of Rainrose Pty Ltd, Mr Lev Mizikovsky or any of his Related Parties or Associates. 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 a direction on the Proxy Form to vote as the proxy decides.

Resolution 2 – Consolidation of Shares

2. To consider and, if in favour, to pass the following as an ordinary resolution:

‘That, in accordance with section 254H of the Corporations Act 2001 (Cth) and for all other purposes, the shares in the Company be consolidated on 14 June or another date determined by the Board on the basis of one (1) share for every four (4) shares held, on the terms and conditions outlined in the Explanatory Statement.’

Dated 9 May 2019

By order of the Board



Lev Mizikovsky
Chairman

Notes

- (a) A Shareholder who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- (b) The proxy need not be a Shareholder of the Company. 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.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return the **attached** proxy form.
- (d) If the proxy form specifies the way the proxy is to vote on a particular resolution the proxy need not vote on a show of hands but if the proxy does so, it must vote as specified in the proxy form.
- (e) If the proxy has two or more appointments that specify different ways to vote on the resolution the proxy must not vote on a show of hands.
- (f) If the proxy is the chair of the meeting, the proxy must vote on a poll or must vote the way specified in the proxy form.
- (g) If the proxy is not the chair of the meeting the proxy need not vote on the poll, but if the proxy does so, the proxy must vote as specified in the proxy form.
- (h) If the proxy form specifies the way the proxy is to vote on a particular resolution and the proxy is not the chair of the meeting and a poll is demanded and either:
 - (i) the proxy is not recorded as attending; or
 - (ii) the proxy does not vote,the chair of the meeting is deemed the proxy for that resolution.
- (i) A corporation may elect to appoint a representative, rather than appoint a proxy, under the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
- (j) If you have any queries on how to cast your votes then call Geoff Acton (07) 3274 0761 during business hours.

Glossary of terms

In the accompanying Notice of Meeting and Explanatory Statement the following words and expressions have the following meanings:

Term	Definition
Associate	means as it is defined in section 9 of the Corporations Act.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it, as the context requires.
Board	means the board of directors of the Company.
Chairman	means the Chairman of the Company as approved from time to time and includes an acting Chairman.
Company	means AstiVita Limited.
Directors	means the directors of the Company from time to time.
Explanatory Statement	means the accompanying Explanatory Statement and which forms part of this Notice.
Law or Corporations Act	means <i>Corporations Act 2001</i> (Cth) and the Corporations Regulations (as defined in the <i>Corporations Act 2001</i> (Cth)).
Listing Rules or ASX Listing Rules	means the official listing rules of ASX.
Notice, Notice of Meeting	means the Notice of Extraordinary General Meeting included in this booklet.
Related Party	takes its meaning from the definition of “related party” as that term is defined in section 9 of the Corporations Act.
Share	means an ordinary share in the capital of the Company, the terms of which are contained in the constitution of the Company.
Shareholders	means the holders of the Shares in the Company from time to time.

Explanatory Statement

AstiVita Limited

Introduction

This is an important document that needs your immediate attention.

Please read the following Explanatory Statement and accompanying information carefully.

It is important that you either attend the meeting personally or complete and lodge the proxy form attached to the Notice of Meeting.

If you do not understand this Explanatory Statement or are in any doubt about the action to be taken, you should consult your solicitor, accountant, investment advisor or other professional advisor immediately.

This Explanatory Statement has been prepared to assist Shareholders with their consideration of the resolutions to be put to the Extraordinary General Meeting to be held on Friday, 7 June 2019 as set out in the accompanying Notice, and should be read with, and forms part of, the accompanying Notice.

This Explanatory Statement is required pursuant to various regulatory and ASX requirements.

Ordinary business

2. Resolution 1 – Approval of issue of Shares to Rainrose Pty Ltd re Loan Conversion

2.1 Background

- (a) At the recent Audit Committee meeting in February 2019, the Company's auditors raised concerns about the Company's Net Tangible Asset ("**NTA**") position given the deferred tax asset has increased to \$4.299 million. Although the Company is showing signs of genuine improvement, to utilise the deferred tax asset the Company will need to generate taxable profits of sufficient magnitude in order to allow the deferred tax assets associated with carry forward tax losses to be absorbed. In light of this, the Board has decided to convert \$3,336,000 into equity to restore and improve its NTA position.
- (b) The Company has outstanding borrowings in the amount of \$3,336,000 owing to Rainrose Pty Ltd, a related entity of Director, Mr Lev Mizikovsky (the "**Loan**").
- (c) It is proposed that the Loan be converted to equity and repaid by the issue of 22,240,000 Shares to Rainrose Pty Ltd (or its nominee(s)) ("**Loan Conversion Shares**"), subject to Shareholder approval being given.
- (d) The effective price of each Loan Conversion Share is \$0.15, being a 19.79% discount to the 1 month volume weighted average price of Shares as at 30 April 2019 and the price subsequently agreed with Mr Mizikovsky at which the Loan should be converted to Shares.

2.2 Listing Rule 10.11

- (a) ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party of the entity. Rainrose Pty Ltd is considered to be a related party of the Company given it is owned by Mr Lev Mizikovsky, a Director of the Company. Accordingly, Resolution 1 seeks Shareholder approval pursuant to Listing Rule 10.11 to enable the Loan Conversion Shares to be issued to Rainrose Pty Ltd (or its nominee(s)).
- (b) If shareholder approval is given under Listing Rule 10.11 pursuant to this Resolution, approval is not required under Listing Rule 7.1.

2.3 Information required under Listing Rule 10.13

The Company provides the following additional information in accordance with Listing Rule 10.13:

- (a) the related party proposing to participate in the issue of Shares is Rainrose Pty Ltd (or its nominee(s)), which is a related party of Mr Lev Mizikovsky, a Director of the Company;
- (b) the maximum number of Shares to be issued to Rainrose Pty Ltd (or its nominee(s)) will be 22,240,000.
- (c) the Loan Conversion Shares will be issued no later than one (1) month after the date of the Extraordinary General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the deemed issue price will be \$0.15 per Share, and the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (e) No funds will be raised by the Company in respect of the issue of the Loan Conversion Shares however it will result in repayment in full of the Loan.

2.4 Chapter 2E of the Corporations Act

- (a) Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties of a public company. Section 208 of the Corporations Act provides that, for a public company to give a financial benefit to a related party of the company, the company must:
 - (i) obtain the approval of the company's shareholders in the manner set out in Chapter 2E of the Corporations Act; and
 - (ii) give the benefit within 15 months following such approval,unless the giving of the financial benefit falls within one of the exemptions set out in Chapter 2E of the Corporations Act.
- (b) For the purposes of Chapter 2E, the proposed issue of the Loan Conversion Shares to Rainrose Pty Ltd will constitute "giving a financial benefit".
- (c) The Directors (Mr Mizikovsky excluding himself from such deliberations) consider that the issue of the Loan Conversion Shares to Rainrose Pty Ltd (or its nominee(s)) is on arms' length terms or worse. Accordingly, the proposed issue of Shares in this Resolution 1 falls within the "arm's length terms" exemption provided by Section 210 of the Corporations Act to the requirement to obtain shareholder approval under Chapter 2E of the Corporations Act.

2.5 Corporations Act Takeover matters

- (a) Section 606 of the Corporations Act prohibits a person acquiring a relevant interest in issued voting shares in a listed company if, as a result of the acquisition that person's or someone else's voting power in the company increases from 20% or below, to more than 20%, or from a starting point that is above 20% and below 90%.
- (b) There are various exceptions to the prohibition in section 606 of the Corporations Act. Section 611 of the Corporations Act contains a table setting out circumstances in which acquisitions of relevant interests are exempt from the prohibition. Item 9 of the table in section 611 of the Corporations Act provides an exemption for acquisitions of no more than 3% in every 6 months, provided that throughout the 6 months before the acquisition that person has had voting power in the company of at least 19% ("**3% Creep Exemption**").
- (c) In the 6 months prior to the date of this Notice of Meeting, the highest voting power of Mr Mizikovsky, his Associates and Related Parties was 70.60%.
- (d) The issue of the Loan Conversion Shares to Rainrose Pty Ltd will result in Mr Mizikovsky's aggregate voting power being 66.05%. As a result of Mr Mizikovsky's aggregate voting power not exceeding 70.6% there are no takeover matters to be concerned with.

2.6 Directors' Recommendation

- (a) The Directors (other than Mr Lev Mizikovsky) recommend that Shareholders vote in favour of this resolution.
- (b) Mr Lev Mizikovsky declines to make a recommendation to Shareholders in relation to Resolution 1 due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued Shares in the Company should Resolution 1 be passed.
- (c) With the exception of Mr Lev Mizikovsky, no other Director has a personal interest in the outcome of Resolution 1.

3. Resolution 2 – AstiVita to undertake a consolidation

3.1 The Proposal

- (a) The Company proposes to consolidate its share capital through the conversion of every four (4) Company ordinary shares into one (1) Company ordinary share.
- (b) The Shares for consolidation include the Shares set out in the below table:

Shares for Consolidation	Number of Shares
Current Shares on issue	53,837,027
Shares proposed to be issued under Resolution 1	22,240,000
Total Shares	76,077,027

- (c) Under section 254H of the Corporations Act, a company may consolidate its shares if the consolidation is approved by an ordinary resolution of shareholders at a general meeting.
- (d) If the consolidation is approved, the consolidation will take effect on and from 14 June 2019.

3.2 Treatment of Fractions

- (a) Where the consolidation of a Shareholders holding results in an entitlement to a fraction of a share, the fraction will be rounded up to the next whole number of shares.
- (b) Where the Directors form the opinion that Shareholders have been split or aggregated to obtain the benefit of rounding, transfers of shares and aggregated parcels of shares may be disregarded for the purpose of rounding.

3.3 Reason for Consolidation

The Company currently has a large number of shares on issue (see section 3.4 below). The Consolidation will result in a more appropriate and effective capital structure for the Company and a share price more appealing to a wider range of investors.

3.4 Effect of Consolidation – Summary

- (a) The proposed share consolidation will reduce the number of Shares on issue as follows (subject to rounding):

	Number of Shares on Issue at time of Consolidation	Number of Shares on Issue Post Consolidation
Number of Shares to be consolidated, <i>assuming Resolution 1 is passed</i>	76,077,027	19,019,257
Number of Shares to be consolidated, <i>assuming Resolution 1 is NOT passed</i>	53,837,027	13,459,257

- (b) As the share consolidation applies equally to all Shareholders, individual Shareholders will be reduced in the same ratio as the total number of Company shares (subject only to the rounding of fractions). It follows that the consolidation will have no material effect on the percentage interest of each individual Shareholder in the Company.
- (c) Similarly, the aggregate value of each Shareholders holding (and the Company's market capitalisation) should not change other than minor changes as a result of rounding – as a result of the share consolidation alone (that is, assuming no other market movements or impacts occur).

- (d) Shareholders should note that the reduction of share capital, if approved, would also have an effect on the Company's share price. The price per share can be expected to increase to reflect the reduced number of shares on issue.
- (e) If this resolution is passed and the conditions to its implementation are satisfied, then the consolidation will be implemented and binding upon all Company shareholders, regardless of how (or if) they vote on the resolution.

3.5 Timetable for Consolidation

Set out below is an indicative timetable for the consolidation. These indicative dates are subject to change at the Board's discretion (subject to the ASX Listing Rules).

Event	Business Day
Extraordinary General Meeting	7 June
Notification to ASX that share consolidation is approved	7 June
Last day for trading in pre-consolidated securities	11 June
Trading in the consolidated securities on a deferred settlement basis commences	12 June
Last day to register transfers on a pre-consolidated basis	13 June
Registration of securities on a post-consolidated basis	14 June
Issue date and new holding statements to be sent to shareholders	20 June
Deferred settlement trading ends	
Normal trading begins	21 June

3.6 Tax implications for Shareholders

- (a) The summary in this section is general in nature. In addition, particular taxation implications will depend on the circumstances of each shareholder. Accordingly, Shareholders are encouraged to seek their own professional advice in relation to their tax position.
- (b) Neither the company nor any of its officers, employees or advisers assumes any liability or responsibility for advising Shareholder members about the tax consequences for them from the proposed share consolidation.
- (c) The share consolidation will be undertaken in accordance with section 254H of the Corporations Act. Subject only to rounding, there will be no change to the proportionate interests held by each Shareholder in the Company as a result of the consolidation.

3.7 Directors' Recommendation

- (a) The Directors recommend that Shareholders vote in favour of this resolution.

Proxy form

Section 1: Name and address of member

Full name _____

Address _____

Section 2: Appointment of proxy

I/We, being a member of the Company and entitled to attend and vote appoint

☐

the Chairman of the meeting
 (mark with an 'X' and
 complete section 3)

OR

Write here the full name of the person or body
 corporate you are appointing if this person is **someone
 other than** the Chairman of the meeting.

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the meeting, as my proxy to attend, to vote in accordance with the following directions in Section 3 (**the Chairman will vote undirected proxies in favour of all items of business**), and to act generally on my/our behalf, at the extraordinary general meeting of the Company to be held at:

Location	Dixon Homes, 1821 Ipswich Road, Rocklea, Queensland
Date	Friday, 7 June 2019
Time	11am (Brisbane time)

and at any adjournment of that meeting.

#If you wish to appoint the Chairman of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

Section 3: Voting instructions

Voting directions to proxy – please mark ☒ to indicate your directions.

Resolution 1. Approval of issue of Shares to Rainrose Pty Ltd of its nominee(s)

Resolution 2. Consolidation of Shares

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*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.

Section 4: Signing by member

This section **must** be signed in accordance with the instructions overleaf to enable your directions to be implemented.**Individual or Member 1****Sole Director and Sole Secretary****Member 2 (if joint holding)**

Director/Company **Secretary**
 (delete one)

Member 3 (if joint holding)**Director**

Please provide the information below in case we need to contact you.

Contact name_____
Contact day time telephone_____
Date

Instructions for completion of proxy form

Section 1: Name and address of member

- 1 Insert your name and address. If it is a joint holding, insert details of all holders.

Section 2: Appointment of proxy

- 2 If you wish to appoint the Chairman of the meeting as your proxy, mark the box. If the person or body corporate you wish to appoint as your proxy is someone other than the Chairman of the meeting, write the full name of that person or body corporate in the space provided. A proxy may be an individual or a body corporate. If you leave this section blank or your named proxy does not attend the Meeting, the Chairman of the meeting will be your proxy. A proxy need not be a member of the Company.
- 3 **The Chairman strongly urges you to nominate a proxy other than himself or another Director unless you direct your proxy how to vote on each resolution. If you do not specify a person to act as proxy, or you appoint the Chairman, you are strongly advised to direct the proxy how to vote as the Chairman will vote in favour of each resolution. Therefore, in order to ensure your vote is not wasted, you are strongly urged to direct your proxy how to vote and if possible appoint a person who is not a Director or secretary of the Company. If a proxy form is submitted with an undirected vote, then Mr Lev Mizikovsky his Associates and Related Parties are unable to vote on Resolution 1 as proxy and any proxy appointing them to do so will be invalid.**
- 4 If you are entitled to cast two or more votes at the general meeting, you are entitled to appoint 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. Alternatively you may copy this form.
- 5 To appoint a second proxy:
 - (a) on each of the first proxy form and 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 one half of your votes, and fractions of votes will be disregarded); and
 - (b) return both forms in the same envelope.

Section 3: Voting instructions

- 6 You may direct your proxy how to vote on an item of business by placing a mark in one of the three boxes opposite that item of business. All of your shares will be voted in accordance with your direction unless you indicate a proportion of voting rights 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 a given item, your proxy may decide whether or how to vote on that item.
- 7 If you mark more than one box on an item, your vote on that item will be invalid.

Section 4: Signing by member

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

Individual	Where the holding is in one name, the member must sign.
Joint holding	Where the holding is in more than one name, all of the members must sign.
Power of Attorney	To sign under power of attorney, either the power of attorney must have already been lodged with the Company's share registry for notation or the original (or a certified copy) of the power of attorney must accompany this document.
Companies	<p>In the following cases, subject to the Company's constitution, the following person must sign:</p> <p>Australian proprietary company with a sole director who is also the sole company secretary - that person must sign;</p> <p>Australian proprietary company with a sole director and no company secretary - that person must sign;</p> <p>other Australian companies - two directors, or one director and one company secretary must sign; and</p> <p>foreign company - in accordance with the laws of the jurisdiction of incorporation and constituent documents.</p>

Section 5: Lodging of proxy

9 This proxy form (and the original or a certified copy of any power of attorney under which it is signed) must be received by the Company not later than close of business on the date set out below, by mail, hand delivery, or facsimile.

Last time and date for lodgement*	4:00pm (Brisbane time) on 5 June 2019
By mail	PO Box 16, Sherwood, Qld 4075
By delivery	1821 Ipswich Road, Rocklea, Qld 4106
By facsimile	(07) 3274 0768

* Any proxy form received after that time will not be valid.