

Duxton Broadacre Farms Limited
ABN 45 129 249 243

Notice of Annual General Meeting

Date: 10am (Adelaide time) on 27 November 2019
Place: Uraidla Hotel, 1198 Greenhill Road, Uraidla SA 5142

Time and Place of Meeting and How to Vote

Venue

The Annual General Meeting of Shareholders of the Company will be held at the Uraidla Hotel, 1198 Greenhill Road, Uraidla SA 5142 on 27 November 2019 at 10am (Adelaide time).

How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

Voting in Person

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

Voting by Proxy

To record a valid vote, a Shareholder will need to take the following steps:

- Cast the Shareholder's vote online by visiting www.investorvote.com.au and entering the Shareholder's Control Number, SRN/HIN and PIN, which are shown on the first page of the enclosed proxy form; or
- Complete and lodge the manual proxy form at the share registry of the Company, Computershare Investor Services Pty Limited:
 - a) by post at the following address:

Computershare Investor Services Pty Limited
GPO Box 242
MELBOURNE VIC 3001

OR
 - b) by facsimile on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia); or
 - c) for Intermediary Online subscribers only (custodians), cast the Shareholder's vote online by visiting www.intermediaryonline.com,

so that it is received not later than 48 hours before the Annual General Meeting, being 10am (Adelaide time) on 25 November 2019.

Please note that if the chair of the meeting is your proxy (or becomes your proxy by default), you expressly authorise the chair to exercise your proxy on Resolutions 1, 4, 5 and 6 even though they are connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, which includes the chair. If you appoint the chair as your proxy you can direct the chair to vote for or against or abstain from voting on Resolutions 1, 4, 5 and 6 by marking the appropriate box on the proxy form.

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

NOTICE OF MEETING

DUXTON BROADACRE FARMS LIMITED ABN 45 129 249 243

("Company")

Notice of Annual General Meeting

The Second Annual General Meeting of Shareholders of the Company will be held at the Uraidla Hotel, 1198 Greenhill Road, Uraidla SA 5142 on 27 November 2019 at 10am (Adelaide time).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form both form part of this Notice of Meeting.

Pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 6:30pm (Adelaide time) on 25 November 2019.

The terms and abbreviations used in this Notice and Explanatory Statement are defined in the Glossary.

Items of business

Consideration of Financial Reports of the Directors and Auditors

To receive and consider the Financial Report together with the Directors' Report and the Auditor's Report for the Company and its controlled entities for the year ended 30 June 2019.

Shareholders will be given reasonable opportunity to ask questions about or make comments on the management of the Company.

Resolution 1 – Adoption of Remuneration Report

To consider, and if thought fit, to pass the following resolution as a **non-binding resolution**:

"To adopt the Remuneration Report as contained in the Company's Annual Financial Report for the financial year ended 30 June 2019."

Pursuant to section 250R(3) of the Corporations Act, the vote on this resolution is advisory only and does not bind the Directors or the Company.

Resolution 2 – Election of Director – Stephen Duerden

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

"Pursuant to Article 49 of the Company's Constitution and Listing Rule 14.4 and for all other purposes, Stephen Duerden, who retires by rotation and offers himself for re-election, is re-elected as a Director of the Company."

Resolution 3 – Election of Director – Mark Harvey

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

"Pursuant to Article 49 of the Company's Constitution and Listing Rule 14.4 and for all other purposes, Mark Harvey, who retires by rotation and offers himself for re-election, is re-elected as a Director of the Company."

Resolution 4 – Approval of issue of Equity Securities to Wade Dabinett

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of up to 23,333 Shares to Mr Wade Dabinett (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Resolution 5 – Approval of issue of Equity Securities to Mark Harvey

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of up to 23,333 Shares to Mr Mark Harvey (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Resolution 6 – Approval of issue of Equity Securities to Anthony Hamilton

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of up to 21,096 Shares to Dr Anthony Hamilton (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Resolution 7 – Approval of issue of Equity Securities for the purpose of ASX Listing Rule 7.1A

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

"That, for the purposes of Listing Rule 7.1A and for all other purposes, the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the prescribed formula in Listing Rule 7.1A.2, be approved on the terms set out in the Explanatory Statement."

Voting exclusion statement

The following voting exclusion statement applies to the Resolutions under the Listing Rules or, where applicable, the provisions of the *Corporations Act*, to the following persons ("**Excluded Persons**").

The Company will disregard any votes cast on the following resolutions by or on behalf of:

- the following Excluded Persons excluded from voting

Resolution No.	Title	Excluded Persons
1	Adoption of Remuneration Report	In any capacity by or on behalf of a member of the KMP, or a Closely Related Party of the KMP, details of whose remuneration are included in the remuneration report for the year ended 30 June 2019.
2	Election of Director	Mr Stephen Duerden and any of his Associates
3	Election of Director	Mr Mark Harvey and any of his Associates
4	Approval of issue of Equity Securities to Wade Dabinett	In favour of resolution 4 by or on behalf of Mr Wade Dabinett and any of his Associates
5	Approval of issue of Equity Securities to Mark Harvey	In favour of resolution 5 by or on behalf of Mr Mark Harvey and any of his Associates
6	Approval of issue of Equity Securities to Anthony Hamilton	In favour of resolution 6 by or on behalf of Dr Antony Hamilton and any of his Associates
7	Approval of issue of Equity Securities for the purpose of ASX Listing Rule 7.1A	<p>In favour of resolution 7 by or on behalf of a person (and any Associates of such person) who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue under the 10% Placement Capacity (except a benefit solely by reason of being a holder of ordinary securities in the Company).</p> <p>As at the date of this Notice, the Company does not yet know, nor has it formed an intention in relation to how it will decide, which parties it may approach to participate in any issue that may ultimately be made.</p>

However, the Company need not disregard a vote in relation to any of the above resolutions:

1. if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
2. if 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.

Voting by Proxy

The Corporations Act places certain restrictions on the ability of KMP and their Closely Related Parties to vote on resolutions connected directly or indirectly with the remuneration of the Company's KMP. For those reasons, Shareholders who intend to vote by proxy should carefully consider the identity of their proxy and consider appointing someone other than one of the Company's KMP as such proxies may not be able to vote undirected proxies.

If you appoint the Chairman as your proxy by marking the box at **STEP 1** on the Proxy Form, then you are providing express authorisation for the Chairman exercise the proxy on all Resolutions in accordance with his intentions as set out in this Notice and the Proxy Form (except where you have indicated a different voting intention by marking the voting boxes at **STEP 2** on the Proxy Form).

This express authorisation acknowledges that the Chairman may exercise your proxy in relation to Resolutions 1, 4, 5 and 6 even though they are connected with remuneration of a member of KMP and is a Resolution in respect of which the Chairman of the meeting has an interest.

Votes cast by the Chairman on Resolutions 1, 4, 5 and 6 other than as an authorised proxy holder will be disregarded because of his interest in the outcome of the resolutions.

The Chairman intends to vote available proxies **in favour** of all resolutions.

DATED this 25th day of October 2019

By order of the Board



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Katelyn Adams
Company Secretary

Explanatory Statement

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the First Annual General Meeting of the Company to be held at Uraidla Hotel, 1198 Greenhill Road, Uraidla SA 5142 on 27 November 2019 at 10am (Adelaide time).

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

Consideration of Reports

The Corporations Act requires the Company to place its Financial Report, Directors' Report and Auditor's Report for the last financial year before the Annual General Meeting. No resolution is required for this item, but Shareholders will be given a reasonable opportunity to ask questions and to make comments on the reports and the management and performance of the Company.

The Company's Auditor will also be present at the meeting and Shareholders will be given a reasonable opportunity to ask the Auditor questions about the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company and the independence of the Auditor.

The Company's 2019 Annual Report has previously been sent where requested to Shareholders and is available on the Company's website at www.duxtonbroadacre.com.au.

Resolution 1 – Adoption of Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Board is presenting the Company's Remuneration Report to shareholders for consideration and adoption by a non-binding vote.

The Remuneration Report is contained in the Company's 2019 Annual Report and has been available on the Company's website since then. The Remuneration Report includes all of the information required by Section 300A of the *Corporations Act*, including:

- (i) board policy for determining, or in relation to, the nature and amount (or value, as appropriate) of remuneration of Directors, secretaries and senior managers of the Company;
- (ii) discussion of the relationship between such policy and the Company's performance; and
- (iii) the prescribed details in relation to the remuneration of each Director and certain executives.

Under the Corporations Act, the vote on this Resolution is advisory only and does not bind the Board or the Company. However, the Board will consider the outcome of the vote when considering future remuneration for Directors and KMP. Shareholders should note that if 25% or

more of the votes cast on this Resolution are against adoption of the Remuneration Report, then the first element in the Board spill provisions under the Corporations Act (known generally as the “two strikes rule”) will be triggered. This would require a Resolution on whether to hold a further meeting to spill the Board (“spill resolution”) to be put to Shareholders at the 2020 Annual General Meeting if a “second strike” were to occur at the 2020 Annual General Meeting.

The Remuneration Report forms part of the Directors’ Report which has unanimously been adopted by resolution of the Board. An opportunity will be provided for discussion of the Remuneration Report at the meeting. In relation to the approval of the Remuneration Report of the Company for 2018, less than 25% of the votes cast on that resolution were against it.

A voting exclusion statement is set out on page 5 of the Notice of Meeting.

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

Directors’ Recommendation

The Directors recommend that Shareholders vote **in favour** of the adoption of the Remuneration Report.

Resolution 2 – Director – Mr Stephen Duerden

Resolution 2 seeks Shareholder approval for the re-election of Stephen Duerden as a Director of the Company.

Mr Duerden retires by rotation in accordance with Listing Rule 14.4. Mr Duerden is eligible for re-election and offers himself for re-election as a Director of the Company.

Biography of Mr Duerden:

Stephen Duerden is currently the CEO of Duxton Capital (Australia) Pty Ltd. He has 29 years experience in investment management with 14 of those being involved directly in the agricultural industry in Australia. Stephen joined Duxton in May 2009. Prior to this, he was the COO and Director for both the Complex Assets Investment Team and the Singapore operation of Deutsche Bank Asset Management Asia. Prior to this, Stephen worked with Deutsche in Australia where he was a member of the Australian Executive Committee responsible for the management of the Australian business, with assets under management of approximately A\$20 billion, and a member of the Private Equity Investment Committee overseeing the management of over \$2.5 billion in Private Equity and Infrastructure assets.

Stephen has had exposure to a broad range of financial products and services during his career. He has been involved in, property development and management, the listing and administration of REITS, the investment and operation of a number of agricultural businesses as well as the operation and investment of more traditional asset portfolios. Stephen is currently a Director of a number of investment funds managed by the Duxton Group and holds board positions on a number of direct agricultural businesses in Australia.

Stephen holds a Bachelor of Commerce in Accounting Finance and Systems with merit from the University of NSW Australia and a Graduate Diploma in Applied Finance and Investments from the Financial Services Institute of Australasia. Stephen is a Member of the Australian Institute of Company Directors, a Fellow of the Financial Services Institute of Australasia and a Certified Practising Accountant.

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

Directors' Recommendation

The Directors (other than Mr Duerden who abstains given his personal interest in the resolution) recommend that Shareholders vote **in favour** of the election of Mr Duerden.

Resolution 3 – Election of Director – Mr Mark Harvey

Resolution 2 seeks Shareholder approval for the re-election of Mark Harvey as a Director of the Company.

Mr Harvey retires by rotation in accordance with Listing Rule 14.4. Mr Harvey is eligible for re-election and offers himself for re-election as a Director of the Company.

Biography of Mr Harvey:

Mark Harvey has more than 35 years of experience in agriculture and agribusiness. He started his agribusiness journey managing a 10,000 acre family farm producing seed, grain crops, wool, lamb and beef, from 1976 until 1991.

He was one of the founders of Paramount Seeds which specialised in research, development and marketing of new field crops until sold to Elders Ltd in 1996. While with Elders, Mr Harvey was manager of their national and international seed business from 1996 until 2001. In 2002, he was a founding partner of Seed Genetics International which is currently a leading researcher, producer and marketer of genetics and seed worldwide from Australia.

In April 2013, he was elected a director of S&W Seed Co, a NASDAQ listed company based in Sacramento California which is a leading US genetics and specialty seed company. On December 9, 2014 Mr Harvey was elected Chairman of the Board of Directors of S&W Seed Company, a position he still holds.

Mr Harvey is a significant Shareholder in Assets in California, Idaho, Wisconsin and South Australia. He sits on the University of Adelaide, Waite Institute Advisory Board and is involved in various community activities. Mr Harvey was educated at Cunderdin Agricultural College in Western Australia.

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

Directors' Recommendation

The Directors (other than Mr Harvey who abstains given his personal interest in the resolution) recommend that Shareholders vote **in favour** of the election of Mr Harvey.

Resolutions 4, 5 and 6 – Approval of issue of Equity Securities to Wade Dabinett, Mark Harvey and Anthony Hamilton

The Company seeks Shareholder approval for issue of Shares to the Non-Executive Directors of the Company, Mr Wade Dabinett, Mr Mark Harvey and Dr Anthony Hamilton.

The Non-Executive Directors are to be paid a Director's fee equivalent to \$35,000 per annum each. As disclosed in the Company's Prospectus, the Company proposes to issue Shares to the Non-Executive Directors at the listing price of \$1.50 per share in lieu of cash remuneration for the first three years of their terms as Directors.

The Company therefore proposes to issue 23,333 Shares each to Mr Dabinett and Mr Harvey and 21,096 Shares to Dr Hamilton.

If Resolutions 4 and 5 are not approved by shareholders, the Company will pay the sum of \$35,000 in cash to Mr Dabinett and Mr Harvey

If Resolution 6 is not approved by Shareholders, the Company will pay the sum of \$31,644 in cash to Dr Hamilton.

The Shares will be issued for no cash consideration and will rank in all respects equally with existing fully paid ordinary Shares of the Company.

Regulatory requirements

Listing Rule 10.11 provides that Directors may not be issued any securities in the Company without the approval of Shareholders.

If approval for Resolutions 4 and 5 is given for the purposes of Listing Rule 10.11 then approval is not required under Listing Rule 7.1.

The issue of the Shares will confer a financial benefit on the Non-Executive Directors.

Under section 208 of the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- a) obtain the approval of the public company's members; and
- b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the *Corporations Act*.

Shareholder approval is not being sought for the purposes of section 208 of the *Corporations Act* on the basis that the benefit is considered by the other Directors to constitute reasonable remuneration and, therefore, the exception in section 211 of the *Corporations Act* applies.

Section 211 provides that shareholder approval is not required for the purposes of section 208 in circumstances where the benefit constitutes remuneration which would be reasonable given the Company's and the related party's circumstances.

Having considered the Company's circumstances and the Non-Executive Directors' circumstances, the Board (other than the Non-Executive Directors) considers that the financial benefit conferred by the issue of Shares to the Non-Executive Directors is reasonable and therefore, the exception in section 211 applies.

Additional Disclosure

In accordance with the requirements of Listing Rule 10.11 and 10.13, the following further information is provided to Shareholders to allow them to assess the proposed grant of Shares to Mr Dabinett and Mr Harvey:

- a) The Shares will be issued to Mr Dabinett, Mr Harvey and Dr Hamilton or their respective nominees.
- b) The maximum number of securities proposed to be issued to each Non-Executive Director is as follows:
 - a. Mr Dabinett - 23,333.
 - b. Mr Harvey - 23,333.
 - c. Dr Hamilton – 21,096
- c) The Shares will be issued for no cash consideration and no funds will be raised from the issue of Shares.
- d) The Shares will be issued on the day after the Meeting and in any event within 1 month of the Meeting.
- e) A voting exclusion statement in respect of Resolutions 4 and 5 is set out on page 3 of the Notice of Meeting.

The Chairman intends to vote all available proxies in favour of Resolutions 4, 5 and 6.

Directors' Recommendation

The Directors (other than Mr Dabinett, Mr Harvey and Dr Hamilton who abstain given their personal interest in the resolutions) recommend Shareholders vote **in favour** of Resolutions 4, 5 and 6.

Resolution 7 – Approval of issue of Equity Securities for the purpose of ASX Listing Rule 7.1A

Resolution 7 seeks Shareholder approval by way of special resolution for the Company to have the ability to issue Equity Securities pursuant to the 10% Placement Capacity available under ASX Listing Rule 7.1A.

Overview

Listing Rule 7.1A allows mid to small cap listed entities to seek Shareholder approval to issue Equity Securities equivalent to an additional 10% of the number of ordinary securities on issue by way of placements over a 12 month period (**10% Placement Capacity**). This is in addition to the 15% permitted under listing rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less at the time of the Annual General Meeting. The Company is currently an eligible entity for the purpose of Listing Rule 7.1A. The Board expects that the Company will be an eligible entity as at the date of the Annual General Meeting. However, if the Company is not eligible, Resolution 7 will be withdrawn.

Shareholder Approval

The ability to issue Equity Securities under Listing Rule 7.1A is subject to Shareholder approval by way of special resolution at Annual General Meeting. Approval cannot be sought at any other Shareholder's meeting and Equity Securities issued under the approval (if obtained) must be issued within 12 months after the date of the Annual General Meeting.

No Equity Securities can be issued under Listing Rule 7.1A before the special resolution is passed. The issue of securities under this rule cannot be subsequently approved by security holders and then be treated as if the issue had received prior approval.

Equity Securities

Any Equity Securities issued by the Company under the 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of the Notice the Company has only one class of Equity Securities on issue being Shares.

Formula for calculating the 10% Placement Capacity

The Company may issue Equity Securities during the 12 month period after the date of approval calculated in accordance with the following formula as contained in ASX Listing Rule 7.1A.2:

$(A \times D) - E$

A is the number of fully paid ordinary Shares on issue 12 months before the date of issue or agreement to issue:

- plus the number of fully ordinary Shares issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid ordinary Shares that became fully paid in the 12 months;
- plus the number of fully paid ordinary Shares issued in the 12 months with approval of Shareholders under Listing Rule 7.1 or 7.4;
- less the number of fully paid ordinary Shares cancelled in the 12 months.

D is 10%

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

Additional Disclosure

For the purpose of Listing Rule 7.3A, the following information is provided in relation to the approval of the 10% Placement Capacity:

- **Minimum issue price**

The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- the date on which the Equity Securities are to be issued; or
- the date on which the price of the Equity Securities is agreed, provided that the issue is then completed within 5 Trading Days.

• **Risk of dilution**

If the Company issues Equity Securities under the 10% Placement Capacity, there is a risk that the economic and voting power of existing Shareholders will be diluted.

There is also a risk that:

- the market price for the Company's Equity Securities may be significantly lower on the issue date than the date of approval at the Annual General Meeting; and
- the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the issue date.

The below table shows the risk of dilution to existing Shareholders if the Company issues Equity Securities under the 10% Placement Capacity on the basis of:

- the current market price of Shares and the current number of Shares calculated in accordance with Listing Rule 7.1A(2) variable "A";
- a 50% decrease in the current market price of Shares and a 50% increase in the current number of Shares calculated in accordance with Listing Rule 7.1A(2) variable "A"; and
- a 100% increase in the current market price of Shares and a 100% increase in the current number of Shares calculated in accordance with Listing Rule 7.1A(2) variable "A".

Variable "A" in Listing Rule 7.1A.2		Dilution / Effect		
		\$0.6225 50% decrease in Issue Price	\$1.245 Issue Price	\$2.49 100% increase in Issue Price
Current Variable A <i>42,881,065 Shares</i>	Shares Issued under LR 7.1A (10%)	4,288,106	4,288,106	4,288,106
	Funds Raised	\$2,669,345.99	\$5,338,691.97	\$10,677,383.94
50% increase in current Variable A <i>64,321,598 Shares</i>	Shares Issued under LR 7.1A (10%)	6,432,159	6,432,159	6,432,159
	Funds Raised	\$4,004,018.98	\$8,008,037.96	\$16,016,075.91
100% increase in current Variable A <i>85,762,130 Shares</i>	Shares Issued under LR 7.1A (10%)	8,576,213	8,576,213	8,576,213
	Funds Raised	\$5,338,692.59	\$10,677,385.19	\$21,354,770.37

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Capacity.
- The table does not show any examples of the dilution that may be caused to a specific Shareholder based on that Shareholder's holding at the date of the Annual General Meeting.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- The table only shows the effect of issues under Listing Rule 7.1A and does not consider the effect of any issues under the 15% placement capacity under Listing Rule 7.1 during the 12 month period or any other issues.
- The Issue Price of the Shares is \$1.245, being the closing price of the Shares on ASX on 9 October 2019.

- **Final issue date**

The final date that the Company can issue Equity Securities under the 10% Placement Capacity is 12 months from the date of the Annual General Meeting, being 27 November 2020.

The approval under Resolution 6 will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

- **Purpose of the issue**

The Company may seek to issue the Equity Securities for the following purposes:

- cash consideration to be applied to the acquisition of new assets or investments, expenditure associated with the Company's operations; or
- non-cash consideration for the acquisition of new assets or investments.

If the Equity Securities are issued for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration which demonstrates that the issue price of the securities complies with Listing Rule 7.1A.3.

- **Allocation policy**

The Company's allocation policy for the issue of Equity Securities pursuant to the 10% Placement Capacity is largely dependent on the prevailing market conditions and the circumstances of the Company at the time of any proposed issue. The time frame over the 12-month period which the Company expects to make placements under the Resolution 9 approval therefore cannot yet be accurately determined.

As at the date of the Notice the Company has not formed an intention to issue securities under a placement pursuant to Listing Rule 7.1A to any particular party. The Company may approach existing Shareholders, a class or group of existing Shareholders, or new investors who have not previously been Shareholders to participate in a placement of Equity Securities.

When determining to issue the 10% Placement Capacity securities the Company will have regard to a range of factors including but not limited to:

- the effect of the issue of Equity Securities on the control of the Company;
- the financial circumstances of the Company;

- whether the raising of funds could be carried out by means of a pro-rata entitlements offer or other similar issue to allow existing Shareholders to participate;
- advice from the Company's corporate, financial and professional advisors; and
- whether a placement of Equity Securities to a vendor(s) as non-cash consideration for the acquisition of new resources, assets or investments is the best alternative for the Company.

- **Previous approval**

For the purposes of Listing Rule 7.3A.6 the following information is provided.

The Company previously obtained Shareholder approval for the 10% Placement Capacity at its 2018 Annual General Meeting.

During the 12 months prior to the date of this Notice, the Company issued 56,038 equity securities representing approximately 0.1% of the total number of equity securities on issue 12 months ago. 43,048,666 equity securities were on issue at the commencement of that 12 month period.

The details of the equity securities issued are as follows:

Number of Equity Securities Issued	Class of Equity Securities Issued	Names of Persons to Whom Equity Securities were Issued	Issue Price	Cash or non-cash Consideration	Discount
36,038	Ordinary Shares	Wade Dabinett Mark Harvey	\$1.50	Non-cash consideration in lieu of Directors' remuneration as approved at the Company's AGM on 28 November 2018 Current value: \$44,867.31 ¹	-
20,000	Ordinary Shares	Employee	\$1.20	Non-cash consideration for FY19 retention bonus Current value: \$24,900 ¹	-

¹Current value is based on the Company's share price of \$1.245 on 9 October 2019.

- **Voting exclusion statement**

A voting exclusion statement is set out on page 5 of the Notice of Meeting.

As at the date of this Notice, the Company does not yet know, nor has it formed an intention in relation to how it will decide, which parties it may approach to participate in any issue that may ultimately be made. Therefore, no Shareholders will be excluded from voting on Resolution 6 as no Shareholder has an interest in the outcome of the Resolution that is potentially different from that of any other Shareholder.

The Chairman intends to vote all available proxies in favour of Resolution 6.

Directors' Recommendation:

The Directors unanimously recommend that Shareholders vote **in favour** of the 10% Placement Capacity.

GLOSSARY

In this Notice of Meeting:

\$ means Australian Dollars.

AGM, General Meeting or Meeting means the Annual General Meeting of Shareholders convened for the purposes of considering the Resolutions.

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2018.

Associate has the same meaning as in the Corporations Act.

ASX means ASX Limited ACN 008 624 691 or the market it operates known as the Australian Securities Exchange, as applicable.

Auditor means the auditor of the Company.

Auditor's Report means the auditor's report on the Financial Report.

Board or Board of Directors means the board of Directors of the Company.

Chair or Chairman means the person appointed the chair of the Meeting convened by this Notice.

Closely Related Party has the meaning given in section 9 of the Corporations Act.

Company means Duxton Broadacre Farms Limited ABN 45 129 249 243.

Constitution means the constitution of the Company.

Control has the same meaning as in the Corporations Act.

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

Director means a Director of the Company.

Directors' Report means the annual Directors' report.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Statement means the Explanatory Statement accompanying the Notice of Meeting.

Financial Report means the annual financial report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

Key Management Personnel or KMP means key management personnel as identified in the Remuneration Report for the financial year ended 30 June 2018.

Listing Rules means the Listing Rules of the ASX.

Managing Director means the Managing Director of the Company.

Notice of Meeting or **Notice** means the notice convening the Annual General Meeting accompanying this Explanatory Statement.

Proxy Form means a proxy form accompanying this Notice of Meeting.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution to be considered at the Annual General Meeting as contained in the Notice of Meeting.

Share means a fully paid ordinary share in the Company.

Shareholder means a person registered as a holder of a Share.

Adelaide Time means Australian Central Daylight Time.

In this Notice and the Explanatory Statement words importing the singular include the plural and vice versa.

Need assistance?

**Phone:**

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

**Online:**

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (Adelaide time) 25 November 2019**.

Proxy Form

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

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

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

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number:
SRN/HIN:

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

☐ **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.

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 Duxton Broadacre Farms Limited hereby appoint

☐ the Chairman of the Meeting **OR**

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Duxton Broadacre Farms Limited to be held at the Uraidla Hotel, 1198 Greenhill Road, Uraidla SA 5142 on 27 November 2019 at 10:00am (Adelaide time) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 1, 4, 5 and 6 (except where I/we have indicated a different voting intention in step 2) even though Items 1, 4, 5 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

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

Step 2 Items of Business

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

	For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Stephen Duerden as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Mark Harvey as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of issue of Equity Securities to Wade Dabinett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of issue of Equity Securities to Mark Harvey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of issue of Equity Securities to Anthony Hamilton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval of issue of Equity Securities for the purpose of ASX Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

DBF

0 2 2 7 7 3 A



Computershare

