



24 June 2020

Dear Member,

NOTICE OF ANNUAL GENERAL MEETING OF MEMBERS OF PACIFIC AMERICAN HOLDINGS LIMITED ABN 83 127 131 604 (COMPANY)

Notice is hereby given that the Annual General Meeting (**AGM**) of the Company's members is to be held at:

Venue: Hall Chadwick, Level 40, 2 Park Street Sydney NSW 2000

Time: 10.00am (Sydney time)

Date: Monday 27 July 2020

You are encouraged to attend the AGM, but if you cannot you are requested to complete and return the enclosed Proxy Form without delay as follows:

Proxies may be lodged using the reply-paid envelope, or

BY MAIL
Share Registry
Boardroom Pty Ltd
GPO Box 3993
Sydney NSW 2001

BY FAX
+ 61 2 9290 9655

IN PERSON
Share Registry
Boardroom Pty Ltd
Level 12
225 George Street
Sydney NSW 2000
Australia

By order of the Board

Ian Morgan
Company Secretary

**This is an important document that should be read in its entirety.
If you are in any doubt about the action you should take, you should consult with your professional advisers without delay.
If you wish to discuss any aspects of this document with the Company, please contact:
Mr Ian Morgan, Company Secretary of Pacific American Holdings Limited on +61 2 8964 4373.**

Pacific American Holdings Limited ABN 83 127 131 604
Suite 706, Level 7, 89 York Street, Sydney NSW 2000
GPO Box 1546, Sydney NSW 2001

P: +61 (0) 2 8964 4373
E: info@pamcoal.com

<https://pacificamerican.com.au/>

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NOTICE IS GIVEN that the Annual General Meeting of Pacific American Holdings Limited ABN 83 127 131 604 (**Company**) will be held at 10.00am (Sydney time) on Monday 27 July 2020 at Hall Chadwick, Level 40, 2 Park Street Sydney NSW 2000.

The Proxy Form accompanying this Notice is incorporated in and comprises part of this Notice.

Explanatory notes appearing under each item of business below have been prepared to provide you with material information reasonably required to enable you to make an informed decision on how to vote upon the business to be conducted at the AGM.

The Explanatory Memorandum explains in greater detail the background to the Resolutions. Defined terms not otherwise defined in this Notice or the Explanatory Memorandum are defined in the Glossary which appears on page 7 of this Notice.

The purpose of the AGM is to consider and if thought fit, pass the Resolutions.

Directors recommend that Members read this Notice in its entirety.

ITEMS OF GENERAL BUSINESS

1. Receive and consider 2019 Financial Statements

To receive the Financial Statements, Directors' Report and Auditor's Report for the Company and its controlled entities for the year ended 31 December 2019 (**2019 Annual Report**).

Notes:

- There is no requirement for Members to approve the 2019 Annual Report.
- The 2019 Annual Report is available at <https://pacificamerican.com.au/> for Members to access and download.
- Members will be given an opportunity to raise questions of the Directors and the Company's Auditor on the 2019 Annual Report at the AGM.
- If you would like to receive a hard copy of the 2019 Annual Report free of charge you can contact the Company by telephoning +61 2 8964 4373.
- Further information regarding the 2019 Annual Report, including the financial statements, appears in the attached Explanatory Memorandum.

2. RESOLUTION 1: Adoption of Remuneration Report

To consider, and if thought fit, to pass, with or without amendment, the following resolution as a **non-binding advisory-only resolution**:

"That the Company adopt the Remuneration Report for the year ended 31 December 2019."

Voting Exclusion Statement for Resolution 1

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Key Management Personnel whose remuneration is disclosed in the Remuneration Report and any Closely Related Party of that Key Management Personnel; or

- an Associate of that person or those persons.

Certain voting exclusions are described under Resolution 1 in the Notice. However, the voting exclusions do not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chairman of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way

Notes on Resolution 1:

- Resolution 1 is advisory only and does not bind the Company or the Directors.
- The Directors will consider the outcome of the vote and comments made by Members on the Remuneration Report at the AGM when reviewing the Company's remuneration policies.
- The Chairman intends to vote all undirected proxies in favour of Resolution 1.
- If 25% or more votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Members will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting will be held within 90 days, at which all of Directors must go up for re-election.

Further information regarding the Remuneration Report appears in the attached Explanatory Memorandum.

3. RESOLUTION 2: Re-election of Director – Mark Sykes

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

"That Mr Mark Sykes being a director of the Company who retires by rotation pursuant to rule 13.4 of the Company's Constitution, and being eligible, is re-elected as a Director of the Company."

Notes:

- Mr Sykes consents to be re-elected as a director of the Company.
 - Non-candidate Directors unanimously support the re-election of Mr Sykes.
 - The Chairman intends to vote undirected proxies in favour of Resolution 2.
- Further information about Mr Sykes appears in the attached Explanatory Memorandum.

ITEMS OF SPECIAL BUSINESS

4. RESOLUTION 3 – Ratification of prior issues of Shares

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue on 14 November 2019 of 13,235,295 Shares, each for \$0.034, to certain professional and sophisticated investors as is more particularly described in the Explanatory Memorandum.”

Voting Exclusion Statement for Resolution 3

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- a person who participated in the issue or is a counterparty to the agreement being approved; or
- an Associate of that person or those persons.

Certain voting exclusions are described under Resolution 3 in the Notice. However, the voting exclusions do not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chairman of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way

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

5. RESOLUTION 4: Adoption of Replacement Constitution

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

That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, the existing constitution of the Company be repealed and replaced with the new constitution in the form of the document entitled ‘Constitution of Pacific American Holdings’ tabled at the Annual General Meeting and signed by the Chairman for the purposes of identification, with effect from the close of the Annual General Meeting.

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

VOTING RIGHTS AND PROXIES

Members are encouraged to attend the AGM, but if you are unable to attend the AGM we encourage you to complete and return the enclosed proxy form.

- A Member entitled to attend and vote at the AGM has a right to appoint a proxy.
- This appointment may specify the proportion or number of votes that the proxy may exercise.
- The proxy need not be a Member of the Company.
- A Member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise. If the Member appoints two proxies and the appointment does not specify the proportion or number of the Member's votes that each proxy may exercise, each proxy may exercise half of the votes.

PROXY VOTING

To vote by proxy, please complete, sign and return the enclosed Proxy Form without delay as follows:

BY MAIL

Share Registry
Boardroom Pty Ltd
GPO Box 3993
Sydney NSW 2001

BY FAX

+ 61 2 9290 9655

IN PERSON

Share Registry
Boardroom Pty Ltd
Level 12
225 George Street
Sydney NSW 2000
Australia

Proxy Forms must be received not later than 48 hours before the time specified for the commencement of the AGM.

DATE FOR DETERMINING HOLDERS OF SHARES

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Members at End of Day on Saturday 25 July 2020.

INTERPRETATION

For the purposes of interpreting the Explanatory Memorandum and the Notice:

- (a) the singular includes the plural and vice versa;
- (b) words importing any gender include the other genders;
- (c) reference to any statute, ordinance, regulation, rule or other law includes all regulations and other instruments and all consolidations, amendments, re-enactments or replacements for the time being in force;

- (d) all headings, bold typing and italics (if any) have been inserted for convenience of reference only and do not define limit or affect the meaning or interpretation of the Explanatory Memorandum and the Notice;
- (e) reference to persons includes bodies corporate and government authorities and in each and every case, includes a reference to the person's executors, administrators, successors, substitutes (including without limitation persons taking by novation and assignment); and
- (f) reference to **cents**, **\$**, **A\$**, **Australian Dollars** or **dollars** is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia.

GLOSSARY

- **AEST** means Australian Eastern Standard time.
- **AGM** or **Annual General Meeting** means the annual general meeting to commence 10.00am (Sydney time) on Monday 27 July 2020 and notified to the Company's Members by this Notice.
- **Associate** has the meaning given to that term in Part 1.2 Division 2 of the Corporations Act.
- **ASX** means ASX Limited ABN 98 008 624 691.
- **ASX Listing Rules** means the official listing rules issued and enforced by the ASX, as amended from time to time, and **Listing Rules** has a corresponding meaning.
- **Board** or **Board of Directors** means the board of directors of the Company.
- **Closely Related Party** of a member of the Key Management Personnel means:
 - a spouse or child of the member;
 - a child of the member's spouse;
 - a dependent of the member or the member's spouse;
 - anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
 - a company the member controls; or
 - a person prescribed by the Corporations Regulations 2001 (Cth) as a "closely related party".
- **Company** means Pacific American Holdings Limited ABN 83 127 131 604.
- **Consolidated Entity** means the Company together with all the entities it is required by the accounting standards to include in consolidated financial statements.
- **Constitution** means the constitution of the Company, as amended from time to time.
- **Corporations Act** means the *Corporations Act 2001* (Cth).
- **Director** means a director of the Company.

- **End of Day** means on any trading day, 7.00pm AEST or such other time as ASX Settlement may from time to time determine.
- **Equity Securities** has the same meaning as in the ASX Listing Rules.
- **Explanatory Memorandum** means the explanatory memorandum accompanying the Notice which convened this AGM.
- **Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Consolidated Entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company.
- **Notice** means this notice of Annual General Meeting.
- **Remuneration Report** means the remuneration report which forms part of the financial statements of the Company and its controlled entities.
- **Member** means a shareholder of the Company.
- **Share** means a fully paid ordinary share in the issued capital of the Company.
- **Trading Day** means a day determined by the ASX to be a trading day, notified to market participants, and otherwise as defined by the ASX Listing Rules.

EXPLANATORY MEMORANDUM TO MEMBERS

This Explanatory Memorandum has been prepared to assist members of the Company to understand the business to be put to the Company's members, for their consideration at the forthcoming Annual General Meeting of the Company.

The Directors recommend that you read this Explanatory Memorandum in its entirety and attend the forthcoming Annual General Meeting.

1. Financial Statements

The Corporations Act requires the Company's financial statements for the year ended 31 December 2019, and reports of the Directors and Auditor, to be laid before the Annual General Meeting. The Company's financial statements for the year ended 31 December 2019 and reports of the Directors and Auditor are contained in the Company's 2019 Annual Report, a copy of which is available on the Company's website at <https://pacificamerican.com.au/>.

While no resolution is required in relation to this item, Members should consider these documents and raise any matters of interest with the Company's Directors when this item is being considered.

The Company's Auditor will be present at the AGM and Members will have an opportunity to ask the Auditor questions in relation to the conduct of the audit, the Auditor's report, the Company's accounting policies and the independence of the Auditor.

2. RESOLUTION 1: Adoption of Remuneration Report

The Remuneration Report of the Company for the year ended 31 December 2019 is set out in the Company's 2019 Annual Report available on the Company's website <https://pacificamerican.com.au/>.

The Remuneration Report sets out the Company's remuneration arrangements for Directors. The Chairman will allow a reasonable opportunity for Members to ask questions about, or make comments on, the Remuneration Report at the AGM. In addition, Members will be asked to vote on the Remuneration Report.

The Resolution is advisory only and does not bind the Company or its Directors. The Board will consider the outcome of the votes and comments made by Members on the Remuneration Report at the AGM when reviewing the Company's remuneration policies.

Under the Corporations Act, if 25% or more of votes cast are voted against the adoption of a remuneration report at two consecutive AGMs, Members will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another Members' meeting will be held within 90 days.

If the spill resolution is passed at the second AGM, all the Company's Directors must go up for re-election within 90 days - at the next Members' meeting.

- (a) The Company encourages all Members to cast their votes on Resolution 1 (Remuneration Report). Members not attending the AGM may use the enclosed Proxy Form to lodge their vote by appointing a proxy.
- (b) Any undirected proxies held by the Chairman, other Directors or other Key Management Personnel or any of their Closely Related Parties will not be voted on

Resolution 1 (Remuneration Report), unless the vote is cast by the Chairman pursuant to an express authorisation on the Proxy Form made by a Member who is entitled to vote on Resolution 1.

Key Management Personnel of the Consolidated Entity are the Directors of the Company, and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's Key Management Personnel for the year ended 31 December 2019. Their Closely Related Parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control. If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 (Remuneration Report) by marking either "For", "Against" or "Abstain" on the Voting Form for those items of business.

3. RESOLUTION 2: Re-election of Director – Mark Sykes

It is a requirement under rule 13.4 of the Company's Constitution that an election of directors shall take place each year. A Director (other than the managing Director) shall not retain office for a period in excess of 3 years or beyond the third annual general meeting following his election (whichever is the longer period) without submitting himself for re-election. At the annual general meeting in each year, one-third of the Directors in office or if their number is not a multiple of 3, the number nearest to one-third, shall retire from office.

Accordingly, Mr Mark Sykes retires from office, and being eligible, offers himself for re-election as a Director of the Company.

Mark Sykes B.Eng (Mining) (WASM), Masters Minerals and Energy Economics (Macquarie University)

Mark is an experienced Mining Engineer with a wealth of operations and business development experience, during a career of some 25 years. Mark's career includes time with BHP in an operational capacity and with Mitsubishi Development in a senior corporate investment role. Mark has exposure to a broad range of commodities including coal, uranium, iron ore, platinum group metals and other minerals. Mark brings exceptional experience in areas of corporate and strategic development, transactional due diligence, operations, technical engineering and project management.

Mark served as Chief Executive Officer before being appointed to the Board on 31 December 2017.

Recommendation

Non-candidate Directors unanimously recommend that Members vote in favour of Resolution 2.

4. RESOLUTION 3: Ratification of prior issues of Shares

As announced on 14 November 2019, on 14 November 2019 the Company issued and allotted 13,235,295 Shares to sophisticated and professional investors at a cash price of \$0.034 per Share.

Resolution 3 seeks Member approval pursuant to ASX Listing Rule 7.4 for the issue of these Shares.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12-month period any Equity Securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12-month period. ASX Listing Rule 7.4 allows for subsequent shareholder approval if the company did not breach ASX Listing Rule 7.1 at the time of issue and holders of ordinary shares subsequently approve it.

The Company did not breach ASX Listing Rule 7.1 at the time of issue of the Equity Securities to sophisticated and professional investors.

By Members approving this issue, the Company will retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Member approval.

(a) Required Disclosure

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the approval of the matters specified above:

Number of securities issued	13,235,295 Shares were issued and allotted.
Issue Price	Issue price for the Shares was \$0.034 per Share.
Terms of the securities	The Shares are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
Allottees	The allottees are sophisticated and professional.
Use of funds	As per the Company's market announcement on 4 November 2019, funds are to further advance the Company's Elko Coking Coal Project and expand the Company's 50% Joint Venture with GP Hydro.
Voting exclusion statement	A voting exclusion statement is included in the Notice.

(b) Recommendation

The Board unanimously recommends that Members vote in favour of Resolution 3.

5. RESOLUTION 4: Adoption of a Replacement Constitution

(a) Background

The Company proposes to put to Shareholders a resolution to repeal and replace the Company's existing constitution with the proposed new constitution (**Replacement Constitution**).

The existing constitution was adopted in 2006. Since that time, there have been a number of amendments to the legislation governing corporations under the Corporations Act and the Listing Rules. The Replacement Constitution reflects amendments to the Corporations Act and Listing Rules since the existing Constitution was adopted, as well as reflecting technological changes and the current practices of the Company.

The proposed Replacement Constitution is available for viewing on the Company's website, <https://pacificamerican.com.au/> or you can contact the Company Secretary for a copy. A copy of the Replacement Constitution, signed by the Chairman for the purposes of identification, will be tabled at the Annual General Meeting.

Under the Corporations Act, a company may elect to either amend parts of its constitution or replace the entire document. As there have been a number of changes to the Corporations Act and Listing Rules since the adoption of the existing Constitution, Directors consider that it is preferable in the circumstances to repeal the existing document and replace it with the Replacement Constitution rather than to amend and insert specific updates. If this Resolution 4 is passed, the existing Constitution will be repealed in its entirety and replaced with the Replacement Constitution.

The Replacement Constitution has been approved by ASX and contains a number of changes to the Company's current constitution, many of which are administrative or relatively minor in nature. A brief overview of the material differences between the current Constitution and the Replacement Constitution is set out in the table below. This overview is not exhaustive and does not identify all of the differences between the existing Constitution and the Replacement Constitution. There have been no fundamental changes to Shareholders' rights, such as the right to vote at a general meeting or to participate in dividends.

Shareholders will have an opportunity to ask questions about the Replacement Constitution at the Annual General Meeting or by contacting the Company Secretary in advance of the Annual General Meeting.

(b) Overview of material differences

The following table sets out the main differences between the existing Constitution and the proposed Replacement Constitution.

Subject	Summary of amendment	Old rule	New rule
Dividends	<p>The Replacement Constitution includes a number of changes to broaden the methods by which the Company may pay dividends to Shareholders. Most of these changes have been made to reflect amendments to the Corporations Act which mean companies are no longer restricted to paying dividends out of profits (the existing Constitution still contains this restriction).</p> <p>Given that there may be future amendments to the Corporations Act regulating when a Company may pay a dividend, the wording in the Replacement Constitution gives the Board flexibility to determine that the Company pay a dividend provided that such determination complies with the Corporations Act.</p> <p>The Replacement Constitution clarifies the Directors' powers to pay any interim and final dividends that, in their judgment, the financial position of the Company justifies, rescind a decision to pay a dividend prior to the payment date and pay any dividend required to be paid under the terms of issue of a Share.</p> <p>The Replacement Constitution also expands the rule in the existing Constitution that the Directors have the ability to resolve that a dividend will be paid by the transfer of specific assets, including shares in another body corporate. Where the Company pays a dividend by a transfer of shares in another corporation, the Replacement Constitution says that Shareholders will be taken to have agreed to become members of that corporation.</p>	17.3	10.1
Preference share rights	<p>The existing Constitution empowers the Company to issue preference Shares. Details of the rights that attach to those preference Shares are as the Directors determine. Holders of preference Shareholders have the right to vote at a meeting where a proposal affects the rights attached to the preference Shares.</p> <p>The Replacement Constitution further sets out the specific rights attaching to any preference Shares that may be issued by the Company, stating that they will confer on the holder rights including:</p> <p>(a) Holders of preference Shares have the same rights as holders of ordinary Shares in relation to receiving notices, reports and audited accounts, and attending meetings of Members; and</p>	4.2	2.2 and Schedule 6

Subject	Summary of amendment	Old rule	New rule
Preference share rights	<p>(b) A holder of a preference Share only has the right to vote:</p> <ul style="list-style-type: none"> (i) during a period during which a dividend (or part of a dividend) in respect of the Share is in arrears; (ii) on a proposal to reduce the share capital of the Company; (iii) on a resolution to approve the terms of a buy-back agreement; (iv) on a proposal that affects rights attached to the Share; (v) on a proposal to wind up the Company; (vi) on a proposal for the disposal of the whole of the property, business and undertaking of the Company; and (vii) during the winding up of the Company. <p>The Company does not currently have any preference shares on issue.</p>	4.2	2.2 and Schedule 6
Transfers	<p>The Replacement Constitution provides more detailed provisions in relation to transfers, including:</p> <p>(a) Forms of transfer</p> <ul style="list-style-type: none"> (i) Subject to this Constitution, a Member may transfer one or more Shares the Member holds by: <ul style="list-style-type: none"> (A) a proper ASTC transfer; (B) an instrument of transfer in compliance with the Constitution; or (C) any other method permitted by the Applicable Law. (ii) Excepted as permitted by the Listing Rules or ASX, a Member must not dispose of restricted securities during the escrow period for those securities. <p>(b) Instrument of transfer</p> <p>An instrument of transfer of a Share must be:</p> <ul style="list-style-type: none"> (i) in writing; (ii) in any usual form or in any other form approved by the Directors that is otherwise permitted by law; (iii) subject to the Corporations Act, executed by or on behalf of the transferor, and if required by the Company, the transferee; (iv) stamped, if required by a law about stamp duty; and (v) delivered to the Company, at the place where the Register is kept, together with the certificate (if any) of the Share to be transferred and any other evidence as the Directors require to prove: <ul style="list-style-type: none"> (A) the title of the transferor to that Share; (B) the right of the transferor to transfer that Share; and (C) the proper execution of the instrument of transfer. 	8	4

Subject	Summary of amendment	Old rule	New rule
Transfers	<p>(c) Share transfers: Listing specific circumstances where the Directors may decline to register, or prevent registration of, a transfer of Shares including:</p> <p>(i) Where the Company has a lien on any of the Shares being transferred, refuse to acknowledge a disposal; and</p> <p>(ii) Except as permitted by the Listing Rules or ASX, the Company must refuse to acknowledge a disposal (including registering a transfer) of restricted securities during the escrow period for those securities.</p>	8	4
Unmarketable Parcels	<p>The existing Constitution does not contain minimum holding provisions (i.e. allowing the Company to sell the Shares of a member who has less than a marketable parcel of those Shares). The Replacement Constitution does contain minimum holding provisions' including:</p> <p>(a) Existing unmarketable parcels</p> <p>(i) The Company may sell the Shares of a Member if:</p> <p>(A) the total number of Shares of a particular class held by that Member is less than a marketable parcel;</p> <p>(B) the Company gives that Member notice in writing stating that the Shares are liable to be sold or disposed of by the Company; and</p> <p>(C) that Member does not give notice in writing to the Company, by the date specified in the notice of the Company (being not less than 42 days after the date of the Company giving that notice), stating that all or some of those Shares are not to be sold or disposed of.</p> <p>(ii) The Company may only exercise the powers to sell the Shares, in respect of one or more Members, once in any 12 month period.</p> <p>(iii) The power of the Company lapses following the announcement of a takeover bid.</p> <p>However, the procedure may be started again after the close of the offers made under the takeover bid.</p> <p>(b) New unmarketable parcels</p> <p>(i) The Company may sell the Shares of a Member if:</p> <p>(A) the Shares of a particular class held by that Member are in a new holding created by a transfer on or after 1 September 1999; and</p> <p>(B) that transfer is of a number of Shares of that class that was less than a marketable parcel at the time the transfer document was initiated, or in the case of a paper based transfer document, was lodged with the Company.</p> <p>(ii) The Company may give a Member notice in writing stating that the Company intends to sell or dispose of the Shares.</p>	N/A	2.6 and Schedule 4

Subject	Summary of amendment	Old rule	New rule
Transmission of shares	<p>The Replacement Constitution is more detailed about a transmission event that will constitute a transmission of Shares :</p> <p>(a) if a Member is an individual:</p> <p>(i) death or bankruptcy of that Member; or</p> <p>(ii) that Member becoming of unsound mind or becoming a person whose property is liable to be dealt with under a law about mental health;</p> <p>(b) if a Member is a body corporate, the deregistration of that Member under the laws of the jurisdiction of its registration; or</p> <p>(c) in any case, the vesting in, or transfer to, a person of the Shares of a Member without that person becoming a Member.</p> <p>The existing Constitution only provides for transmission by the death or bankruptcy of a member or a vesting order.</p>	9	4.7 and Schedule 3.
Partial or proportional takeover bids	<p>The proportional takeover provisions in the existing Constitution have now lapsed in accordance with section 648G(3) of the Corporations Act as they have not been renewed by Shareholders in the last three years.</p> <p>Proportional takeover provisions are included in the Replacement Constitution. The information required to be disclosed to Shareholders under section 648G(5) about the proportional takeover provisions has been included in this notice of meeting under the heading 'Proportional takeover bids'.</p>	8	4.5 and Schedule 5.
Meetings	<p>The Replacement Constitution requires that a quorum for a meeting of Members is 2 Eligible Members entitled to vote at that meeting. The existing Constitution requires that the quorum at any general meeting of the Company is 3 members present in person.</p>	11.2	5.6
	<p>The Replacement Constitution expands the current rule dealing with the adjournment of a meeting to deal with postponement as well. In addition, under the Replacement Constitution the Chairperson will be entitled to postpone a meeting before it has commenced in certain circumstances (for example, due to attendees' inappropriate behaviour) so that the business of the meeting can be properly carried out.</p>	11.2 (d)	5.11
	<p>Rules in the Replacement Constitution expands on requirements for holding a general meeting using appropriate technology. A meeting of Eligible Members may be held in 2 or more places linked together by any technology that:</p> <p>(i) gives the Eligible Members as a whole in those places a reasonable opportunity to participate in proceedings;</p> <p>(ii) enables the chairperson to be aware of proceedings in each place; and</p> <p>(iii) enables the Eligible Members in each place to vote on a show of hands and on a poll.</p>	N/A	5.5

Subject	Summary of amendment	Old rule	New rule
	<p>The Replacement Constitution deals with any objections to qualification to vote:</p> <p>(a) An objection to the qualification of any person to vote at a meeting of Members may only be made:</p> <p>(i) before that meeting, to the Directors; or</p> <p>(ii) at that meeting (or any resumed meeting if that meeting is adjourned), to the chairperson of that meeting.</p> <p>(b) Any objection must be decided by the Directors or the chairperson of the meeting of Members (as the case may be), whose decision, made in good faith, is final and conclusive.</p> <p>The existing Constitution does not specifically provide for any objections to qualification to vote.</p>	N/A	15.3
Direct voting	<p>The Replacement Constitution gives the Board the power to permit members to vote 'directly' on resolutions determined by poll at a general meeting. This is an alternative to members having to appoint proxies or representatives to vote on their behalf as permitted by the existing Constitution. The provisions do not require direct voting at all general meetings but allow the Directors to implement direct voting for any particular meeting in their discretion.</p> <p>The Board has no immediate intention to introduce direct voting.</p>	N/A	5.15
Directors	<p>The existing Constitution contains provisions that allow non-executive Directors to be paid extra remuneration when performing services the Board considers outside the scope of the ordinary duties of a Director.</p> <p>The Replacement Constitution also set outs that Directors may, if the Directors so resolve, be entitled to extra remuneration, including where they are a member on a committee of Directors, or hold the office of chairperson of Directors or deputy chairperson of Directors.</p>	13.2	6.5
	<p>The Replacement Constitution allows that, subject to the Applicable Law, in case of an equality of votes on a resolution at a meeting of Directors, the chairperson of that meeting has a casting vote on that resolution in addition to any vote the chairperson has in his or her capacity as a Director in respect of that resolution. The existing constitution does not give the Chairman a casting vote.</p>	N/A	9.7 (d)
Indemnity and insurance	<p>The Replacement Constitution clarifies that the Company can enter into an agreement with any relevant officer of the Company to give effect to the rights conferred by the insurance and indemnity terms in the Replacement Constitution.</p> <p>The insurance and indemnity rules are otherwise substantially the same as those in the existing Constitution.</p>	N/A	7.3 (d)

(c) Proportional takeover bids

The law regarding takeovers allows companies to amend their constitutions to prohibit the registration of a transfer of shares resulting from an offer made under a proportional takeover bid, unless shareholders approve the bid.

The Company's existing constitution includes, in rule 4.5 and schedule 5, proportional takeover provisions. However, as these provisions have not been renewed within three years of coming into effect, they have ceased to be operative. Accordingly, approval is sought to include the proportional takeover provisions set out in rule 4.5 and schedule 5 of the Replacement Constitution.

Set out below is an explanation of the proportional takeover provisions, as required by section 648G(5) Corporations Act.

(i) *What is a proportional takeover bid?*

A proportional takeover bid occurs where a person makes a bid for a proportion of each shareholder's shares. Accordingly, if a shareholder accepts the offer under a proportional takeover bid, the shareholder will only dispose of the specified portion of their shares in the Company and retain the balance of their shares.

(ii) *Effect of the provisions to be included in the Replacement Constitution*

If included in the Replacement Constitution, the effect of the proportional takeover provisions is that, if a proportional takeover offer is received:

1. the directors are required to convene a meeting of shareholders to vote on a resolution to approve or reject the proportional bid;
2. the meeting must be held at least 14 days before the bid closes (**Approving Resolution Deadline**); and
3. the decision at the meeting (approval or rejection of the bid) will be binding on all individual members.

The resolution will be taken to have passed if a simple majority of shares voted at the meeting (at least 50%), excluding the shares of the bidder and its associates, vote in favour of the resolution.

If no approving resolution is voted on before the Approving Resolution Deadline, the resolution approving the proportional takeover bid will be deemed to have been passed.

If the approving resolution is rejected, then in accordance with the Corporations Act, the proportional takeover bid will be deemed to be withdrawn and transfers that would have resulted from acceptance of the proportional takeover bid will not be registered.

The proportional takeover provisions do not apply to full takeover bids and only apply for three years after the date of adoption of the provisions, unless refreshed by approval of shareholders.

(iii) *Reasons for proposing the inclusion of the provisions in the Replacement Constitution*

Without the proposed rule 4.5 and schedule 5, a proportional takeover bid for the Company may result in effective control of the Company passing without Shareholders having the opportunity to dispose of all of their Shares to the bidder. Accordingly, Shareholders could be at risk of control of the Company passing to the bidder without payment of an adequate control premium for all their Shares while leaving them as part of a minority interest in the Company.

The proportional takeover bid provisions deal with this possibility by providing that if a proportional takeover bid is made for the Company, Shareholders must vote on whether or not a proportional takeover bid should be permitted to proceed. The bidder and its associates would not be permitted to vote on the matter and thereby influence the outcome.

The benefit of the provisions is that Shareholders are able to decide collectively whether the proportional bid is acceptable in principle, which may help ensure that any proportional bid is appropriately priced.

(iv) No knowledge of present acquisition proposals

As at the date on which this explanatory memorandum was prepared, no Director is aware of a proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

(v) Potential advantages of a proportional takeover provision

1. It allows Shareholders who may become the 'minority' to vote against the proposal.
2. It restricts the ability for control of the Company to pass without Shareholders having an opportunity to dispose of all their Shares to the bidder.
3. It increases Shareholders' bargaining power and may assist in ensuring that a proportional bid is adequately priced or discourage a proportional bid in favour of a full bid.
4. Shareholders can consider the intentions of other Shareholders before the end of the bid period, which can assist each Shareholder in assessing the likely outcome of the takeover bid, and whether to accept or reject offers made under that bid.
5. Shareholders can exercise a degree of control in the proportional takeover bid process.
6. It may limit the risk of control passing to a company that would otherwise be unable to fund a full takeover.

(vi) Potential disadvantages of a proportional takeover provision

1. The Company's share price may be adversely affected, in that the Company may become a less attractive target because of the process to approve a proportional takeover.
2. It may discourage proportional takeover bids or make a proportional takeover more difficult to achieve.

3. Opportunities for Shareholders to sell all or some of their shares at a premium to persons seeking control of the Company may be reduced, and any takeover speculation element in the price of the Company's shares may be reduced.
4. The proportional takeover provisions may be considered an additional restriction on the ability of individual Shareholders to deal freely in the Company's shares.

(d) Special resolution

Under section 136(2) of the Corporations Act, the resolution to adopt the Replacement Constitution must be passed as a special resolution of Shareholders.

(e) Recommendation

The Directors unanimously recommend that Shareholders approve the adoption of the Replacement Constitution (including the adoption of the proportional takeover provisions set out in rule 4.5 and schedule 5) and vote in favour of Resolution 4.

APPOINTMENT OF CORPORATE REPRESENTATIVE

Pursuant to Section 250D of the *Corporations Act*

(Insert name of Member/Body Corporate & ABN/ACN/ARBN)

Hereby Authorises

(Insert name of appointee)

- (*) 1. To act as the Company's representative at all General Meetings of Pacific American Holdings Limited ABN 83 127 131 604.
- (*)2. To act as the Company's Representative at the Annual General Meeting to be held commencing 10.00am (Sydney time) on Monday 27 July 2020 and any adjournment thereof.

Dated this _____ day of _____

Executed by the corporation in accordance with its Constitution/Section 127 of the *Corporations Act 2001* (Cth) in the presence of:

(*) Director

(*) Sole Director & Sole Secretary

(*) Director/Secretary

Affix Common Seal here (optional)

(*) Delete if not applicable

This authority may be sent to the registered office or share registry office of the Company in advance of the meeting as set which this appointment accompanies or handed in at the Annual General Meeting when registering as a company representative. In either case, the authority will be retained by the Company.

All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10.00am (Sydney time) on Saturday 25 July 2020**

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that 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 vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

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

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, **10.00am (Sydney time) on Saturday 25 July 2020**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged in the following method:

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Pacific American Holdings

ABN 83 127 131 604

☐

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Pacific American Holdings** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at the **Hall Chadwick, Level 40, 2 Park Street Sydney NSW 2000 on Monday, 27 July 2020 at 10.00am (Sydney Time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 1. I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 1 is connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 1). If you wish to appoint the Chair 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.

STEP 2 VOTING DIRECTIONS

* 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 vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Mark Sykes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of prior issue of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Adoption of a Replacement Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2020