

Duxton Broadacre Farms Limited
ABN 45 129 249 243

Notice of Annual General Meeting

Date: 10am (Adelaide time) on 25 November 2020
Place: Duxton House, 7 Pomona Road, Stirling SA 5152

IMPORTANT INFORMATION REGARDING COVID 19: Due to current COVID 19 restrictions the 2020 AGM will be via Lumi webcast only. This is to assist in compliance with Government regulations on gatherings and travel, and to ensure the health and safety of shareholders. Details on attending the AGM via Lumi webcast will be available on the Company's website www.duxtonbroadacre.com.au.

Time and Place of Meeting and How to Vote

Venue and attendance

The Annual General Meeting ("AGM") of Shareholders of the Company will be held at Duxton House, 7 Pomona Road, Stirling SA 5152 on 25 November 2020 at 10am (Adelaide time).

Due to the COVID-19 Pandemic, you will only be able to attend this year's AGM virtually via Lumi. Lumi is a virtual meeting platform utilised by the share registry of the Company, Computershare Investor Services Pty Limited. By using Lumi, the Company will be able to accept votes cast at the AGM in real time (including by proxy voters).

Upon entering the Lumi platform, shareholders will be required to enter a Meeting ID and their SRN or HIN in order to participate. Further details on attending the AGM via Lumi will be published on the Company's website closer to the AGM date.

How to Vote

You may vote by attending the Meeting via Lumi, by proxy or authorised representative.

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 23 November 2020.

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 and 5 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 and 5 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.

Technical Difficulties

Technical difficulties may arise during the course of the AGM. The Chairman has discretion as to whether and how the meeting should proceed in the event that technical difficulties arises. In exercising his discretion, the Chairman will have regard to the number of members impacted and the extent to which participation in the business of the AGM is affected.

Where the Chairman considers it appropriate, the Chairman may continue to hold the AGM and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, members are encouraged to lodge a proxy by 10.00am (Adelaide time) on 23 November 2020 even if they plan to attend online.

NOTICE OF MEETING

DUXTON BROADACRE FARMS LIMITED ABN 45 129 249 243

("Company")

Notice of Annual General Meeting

The Annual General Meeting of Shareholders of the Company will be held at Duxton House, 7 Pomona Road, Stirling SA 5152 on 25 November 2020 at 10am (Adelaide time). Shareholders will only be allowed to attend the Annual General Meeting virtually via Lumi. More information on attending the Annual General Meeting will be published on the Company's website – www.duxtonbroadacre.com.au.

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 23 November 2020.

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 2020.

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 2020."

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 – Re-election of Director – Wade Dabinett

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, Wade Dabinett, who retires by rotation and offers himself for re-election, is re-elected as a Director of the Company."

Resolution 3 – 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 4 – 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 5 – 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."

Resolution 6 – Amendment to the Company's 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, the constitution of the Company be modified by making the amendment contained in the Explanatory Statement with effect from 1 December 2020."

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 in favour of the following resolutions by or on behalf of:

- the following Excluded Persons excluded from voting; or
- an Associate of that person:

| Resolution No. | Title | Excluded Persons |
|----------------|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2 | Election of Director | Mr Wade Dabinett |
| 3 | Approval of issue of Equity Securities to Wade Dabinett | Mr Wade Dabinett and any other person who will obtain a material benefit as a result of the issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) |
| 4 | Approval of issue of Equity Securities to Mark Harvey | Mr Mark Harvey and any other person who will obtain a material benefit as a result of the issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) |
| 5 | Approval of issue of Equity Securities for the purpose of ASX Listing Rule 7.1A | <p>A 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> |
| 6 | Amendment to the Constitution | N/A |

However, this does not apply to a vote cast in favour of a resolution by:

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

In addition to the exclusions noted above, the Corporations Act provides that a vote on Resolution 1 must not be cast (in any capacity), and the Company will disregard any votes cast on Resolution 1 by or on behalf of:

- (a) A member of the Key Management Personnel (which includes any Director); and
- (b) A Closely Related Party (such as close family members and any controlled companies) of those persons, the details of whose remuneration are included in the Remuneration Report. The Explanatory Memorandum includes important information in relation to the voting of proxies on this Resolution.

However, a person described above may cast a vote on Resolution 1 if the vote is not cast on behalf of a person described above and either:

- (a) the voter does so as proxy appointed in writing that specifies how the proxy is to vote on the Resolution; or
- (b) the voter is the Chair of the meeting and the appointment of the Chair as proxy:
 - (i) does not specify the way in which the Chair is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Further, a vote on Resolutions 3 and 4 must not be cast as a proxy by or on behalf of any of the following persons:

- (i) a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report; or
- (ii) a Closely Related Party of such a member.

However, a person described above may cast a vote on Resolution 3 and 4 as a proxy if the vote is not cast on behalf of a person described above and either:

- (i) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (ii) the person is the chair of the meeting and the appointment of the chair as proxy:
 - does not specify the way the proxy is to vote on the resolution; and
 - expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

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, 3, and 4 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.

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

DATED this 23rd day of October 2020

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 Annual General Meeting of the Company to be held at Duxton House, 7 Pomona Road, Stirling SA 5152 on 25 November 2020 at 10am (Adelaide time). Shareholders will only be allowed to attend the Annual General Meeting virtually via Lumi. More information on attending the Annual General Meeting will be published on the Company's website – www.duxtonbroadacre.com.

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.

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 2020 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 2021 Annual General Meeting if a “**second strike**” were to occur at the 2021 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 2019, 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 – Re-election of Director – Wade Dabinett

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

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

Biography of Mr Dabinett:

Wade Dabinett has over 13 years of experience in the Australia grain industry, encompassing grain trading, storage, handling and production. Wade is part of a farming business based in Parilla in the Southern Mallee of SA owned by his family which produces a mix of grain, potatoes, sheep and cattle on both dryland and irrigated farming land. Wade served as Chairman of Grain Producers SA, the state’s peak industry body representing the states 3,000 grain growers, from 2016 to 2020.

Wade is also a councillor representing Grains on Primary Producers SA and a member of the National Policy Council for Grain Producers Australia. He was also appointed in 2015 to the ABC Advisory Committee representing Rural and Regional Australia and reporting to the board on programming and content.

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

Directors’ Recommendation

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

Resolutions 3 and 4 – Approval of issue of Equity Securities to Wade Dabinett and Mark Harvey

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

The Non-Executive Directors are to be paid a Director's fee equivalent to \$35,000 per annum (inc. superannuation) 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 to each Non-Executive Director.

If Resolutions 4 and 5 are not approved by shareholders, the Company will pay each Non-Executive Director the sum of \$35,000 in cash.

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

The Shares will be issued to Mr Wade Dabinett and Mr Mark Harvey or their respective nominee. As Directors, and therefore related parties, Mr Dabinett and Mr Harvey fall under Listing Rule 10.11.1A.

Listing Rule 10.11.1A states that an entity must not issue or agree to issue equity securities to related parties without the approval of the holders of its ordinary securities.

Each of Mr Dabinett and Mr Harvey will be issued 23,333 Shares. The Shares will form the entirety of Mr Dabinett's and Mr Harvey's remuneration package.

If approval for Resolutions 3 and 4 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 and Mr Harvey or their respective nominees.
- b) The maximum number of securities to be issued to Mr Dabinett is 23,333.
- c) The maximum number of securities to be issued to Mr Harvey is 23,333.
- d) The Shares will be issued for no cash consideration and no funds will be raised from the issue of Shares.
- e) The Shares will be issued on the day after the Meeting and in any event within 1 month of the Meeting.
- f) A voting exclusion statement in respect of Resolutions 3 and 4 is set out on page 4 of the Notice of Meeting.

The Chairman intends to vote all available proxies in favour of Resolutions 3 and 4.

Directors' Recommendation

The Directors (other than Mr Dabinett who abstains given his personal interest in the resolution) recommend Shareholders vote **in favour** of Resolution 3.

The Directors (other than Mr Harvey who abstains given his personal interest in the resolution) recommend Shareholders vote **in favour** of Resolution 4.

Resolution 5 – Approval of issue of Equity Securities for the purpose of ASX Listing Rule 7.1A

Resolution 5 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 5 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 ("**Relevant Period**");

- plus the number of fully ordinary Shares issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
- plus the number of fully paid ordinary shares issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- plus the number of fully paid ordinary shares issued in the relevant period under an agreement to issue shares within Listing Rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the Relevant Period; or
 - the agreement or issue was approved or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4
- plus the number of partly paid ordinary Shares that became fully paid in the Relevant Period;
- plus any other 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 Relevant Period

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the Relevant Period where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 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:

- **Validity**

The approval under Listing Rule 7.1A will be valid from the date of the AGM until the earlier of 12 months from the AGM (25 November 2021), the time and date of the Company's next AGM or the time and date of approval by Shareholders for a transaction under Listing Rule 11.1.2 or 11.2.

- **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 price and at which the Equity Securities are to be issued is agreed between the Company and the recipient of the Equity Securities; or
- if the Equity Securities are not issued within 10 Trading Days of the date above, the date on which the Equity Securities are issued.

- **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 | | |
|-----------------------------------------------------------------|-----------------------------------|------------------------------------------|------------------------|-------------------------------------------|
| | | \$0.54 50% decrease in Issue Price | \$1.080 Issue Price | \$2.16 100% increase in Issue Price |
| Current Variable A <i>42,903,723 Shares</i> | Shares Issued under LR 7.1A (10%) | 4,290,372 | 4,290,372 | 4,290,372 |
| | Funds Raised | \$2,316,801 | \$4,633,602 | \$9,267,204 |
| 50% increase in current Variable A <i>64,355,585 Shares</i> | Shares Issued under LR 7.1A (10%) | 6,435,585 | 6,435,585 | 6,435,585 |
| | Funds Raised | \$3,475,516 | \$6,950,432 | \$13,900,834 |
| 100% increase in current Variable A <i>85,807,446 Shares</i> | Shares Issued under LR 7.1A (10%) | 8,580,745 | 8,580,745 | 8,580,745 |
| | Funds Raised | \$4,633,602 | \$9,267,205 | \$18,534,409 |

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 \$1.080, being the closing price of the Shares on ASX on 30 September 2020.

• 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 25 November 2021.

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.

- **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.

- **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 2019 Annual General Meeting.

During the 12 months prior to the date of this Notice, the Company issued 15,847 equity securities representing approximately 0.04% of the total number of equity securities on issue 12 months ago. 42,889,723 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 |
|-------------------------------------------|------------------------------------------|---------------------------------------------------------------|--------------------|-------------------------------------------------------------------------------------------------------|-----------------|
| 8,658 | Ordinary Shares | Employee | \$1.155 | Non-cash consideration for employment anniversary bonus Current value: \$9,523.80 ¹ | - |

| | | | | | |
|-------|-----------------|----------|--------|-----------------------------------------------------------------------------------------------|------------------|
| 7,189 | Ordinary shares | Employee | \$1.00 | Non-cash consideration for FY20 retention bonus Current value: \$7,907.90 ¹ | 10% ¹ |
|-------|-----------------|----------|--------|-----------------------------------------------------------------------------------------------|------------------|

¹Current value is based on the Company's share price of \$1.10 on 9 October 2020.

- **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 5.

Directors' Recommendation:

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

Resolution 6 – Amendment to Constitution

Background

Changes to the Listing Rules commenced on 1 December 2019 which require a listed entity's constitution to contain certain provisions regarding restricted securities if the entity has any restricted securities on issue. In accordance with Listing Rule 15.12, the Company's constitution is required to contain certain provisions if it has restricted securities on issue. Although the Company does not presently have any restricted securities on issue and does not have any present intentions to undertake a transaction which would result in the issue of restricted securities, the Board considers it prudent to amend the Constitution to ensure it complies with the new requirements.

If Resolution 6 is not approved, the Company will not be able to issue Restricted Securities. This may inhibit the Company's ability to transact with certain parties in the future.

Section 13 of the Company's constitution currently contains the provisions required by the previous wording of Listing Rule 15.12.

A marked-up copy of the relevant sections of the constitution is attached as Annexure A, and a full copy of the amended constitution will be available at the AGM.

Proposed Amendments

Clause 13 – Restricted securities

The Company proposes to delete clause 13 of the Constitution in its entirety and replace it with a new clause 13. Clause 13 contains the provisions required by Listing Rule 15.12. Due to the changes to Listing Rule 15.12 the Company is seeking to replace clause 13 as follows:

"13. Restricted Securities

13.1 Notwithstanding any other provision in this Constitution:

(a) a holder of Restricted Securities must not Dispose of, or agree or offer to Dispose of the Securities during the escrow period applicable to those Securities except as permitted by the Listing Rules or ASX;

(b) if the Restricted Securities are in the same Class as quoted Securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's Issuer Sponsored Subregister and are to have a Holding Lock applied for the duration of the escrow period applicable to those Securities;

(c) the Company will refuse to acknowledge any Disposal (including without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those Securities except as permitted by the Listing Rules or ASX;

(d) a holder of Restricted Securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those Securities except as permitted by the Listing Rules or ASX; and

(e) if a holder of Restricted Securities breaches a Restriction Deed or a provision of this Constitution restricting a Disposal of those Securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those Securities for so long as the breach continues.

13.2 In this clause 13, capitalised terms not defined in this Constitution have the same meaning as under the Listing Rules."

Proposed clauses 13.1(b) and 13.1(d) are new requirements under the changes to the Listing Rules (Listing Rule 15.12.2 and Listing Rule 15.12.4).

Clause 43 – How many votes a shareholder has

The Company proposes to remove clause 43.7(b) in its entirety. Clause 43.7(b) currently states "[A shareholder must not vote a share if] the shareholder is in breach of a Restriction Agreement in respect of the share; or".

Proposed new clause 13.1(e) adequately states that the holders of restricted securities are prohibited from voting where they are in breach of a restriction deed or the Constitution. Clause 43.7(b) also refers to "Restriction Agreement" which is a term not used by the ASX Listing Rules.

A minor amendment will also be made to clause 43.7(a) by inserting the word "or" at the end of the clause, and clause 43.7(c) will become clause 43.7(b).

Clause 84 – Restricted securities

The Company proposes to delete clause 84 in its entirety and replace it with a new Clause 84. Clause 84 restricted the payment of dividends on restricted securities. This is adequately covered by the proposed new clause 13.1(e). The proposed new clause 84 will read:

"84. Restricted Securities

Deleted."

Clause 87 – Restricted Shares

The Company proposes to delete clause 87 in its entirety and replace it with a new clause 87. Clause 87 currently states that "Restricted Shares, under a Restriction Agreement current at the start of the winding up, must rank behind all other shares in the repayment of capital on a winding up." The proposed new clause 13.1(d) prescribes that holders of restricted securities are not entitled to participate in any return of capital except as permitted by the Listing Rules or ASX. The proposed new clause 87 will read:

"87. Restricted Securities

Deleted."

Clause 105 – Definitions

The Company proposes to amend clause 105 of the Constitution by removing the following definition:

"Restriction Agreement means a restriction agreement within the meaning of the Listing Rules;"

With the other proposed changes, the term "Restriction Agreement" no longer appears in the Constitution. Further, it is necessary to remove the term "Restriction Agreement" from the Constitution as the Listing Rules do not use the term "Restriction Agreement".

Directors' Recommendation:

The Directors unanimously recommend that Shareholders vote **in favour** of making the amendments to the Constitution described above.

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 2020.

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 2020.

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.

Restricted Securities has the same meaning as under the Listing Rules.

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.

ANNEXURE A – MARKED UP SECTIONS OF CONSTITUTION

13. Restricted securities

13.1 Notwithstanding any other provision in this Constitution:

~~(a) restricted securities cannot be disposed of during the escrow period except as permitted by the Listing Rules or ASX;~~

~~(b)~~

~~(a) a holder of Restricted Securities must not Dispose of, or agree to Dispose of the Securities during the escrow period applicable to those Securities except as permitted by the Listing Rules or ASX;~~

~~(b) if the Restricted Securities are in the same Class as quoted Securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's Issuer Sponsored Subregister and are to have a Holding Lock applied for the duration of the escrow period applicable to those Securities;~~

~~the Company must refuse to acknowledge a disposal (including registering a transfer of restricted securities during the escrow period except as permitted by the Listing Rules or ASX; and~~

~~(c) the Company will refuse to acknowledge any Disposal (including without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those Securities except as permitted by the Listing Rules or ASX;~~

~~(d) a holder of Restricted Securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those Securities except as permitted by the Listing Rules or ASX; and~~

~~(d) if a holder of Restricted Securities breaches a Restriction Deed or a provision of this Constitution restricting a Disposal of those Securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those Securities for so long as the breach continues, during a breach of the Listing Rules relating to restricted securities, or a breach of a Restriction Agreement, the holder of the restricted securities is not entitled to any Dividend or distribution, or voting rights, in respect of the restricted securities.~~

13.2 In this clause 13, capitalised terms not defined in this Constitution have the same meaning as under the Listing Rules.:

~~(a) dispose has the same meaning as in the Listing Rules; and~~

~~(b) restricted securities has the same meaning as in the Listing Rules.~~

43. How many votes a shareholder has

43.1 Subject to the Listing Rules, this Constitution and any special rights or restrictions attached to a share, at a meeting of shareholders:

(a) on a show of hands, each shareholder present (in person, by proxy, attorney or representative) has one vote; and

(b) on a poll, each shareholder present (in person, by proxy, attorney or representative) has:

(1) one vote for each fully paid share they hold; and

- (2) a fraction of a vote for each partly paid share they hold. The fraction must be equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited). Amounts paid in advance of a call are ignored.
- 43.2 The chairperson has a casting vote, if the chairperson has a personal deliberative vote.
- 43.3 If a share is held jointly and more than one shareholder votes the share, only the vote of the shareholder whose name appears first in the register of shareholders counts.
- 43.4 The parent or guardian of an infant shareholder may vote that infant's share, if the parent or guardian satisfies the Directors of the relationship or appointment before the meeting. If the infant's parent or guardian votes the share, the infant shareholder must not vote.
- 43.5 A person may vote a share if the person:
- (a) is entitled to be registered as the holder of the share because of a Transmission Event;
or
 - (b) properly has the management of the shareholder's estate; and
- the person satisfies the Directors of that entitlement or fact before the meeting.
- 43.6 The shareholder must not vote a share if another person does so under this clause 43.5.
- 43.7 A shareholder must not vote a share if:
- (a) a call or other amount is presently payable in respect of the share; or
 - ~~(b) the shareholder is in breach of a Restriction Agreement in respect of the share; or~~
 - (be) the Listing Rules require the Company to disregard the shareholder's vote in respect of the share.
- 43.8 The chairperson or other person may disregard any vote by a shareholder who is not entitled to vote.

84. Restricted securities

~~Deleted. A shareholder is not entitled to a dividend on restricted securities (within the meaning of the Listing Rules) under a current Restriction Agreement, while in breach of the agreement.~~

87. Restricted shares

~~Deleted. Restricted shares, under a Restriction Agreement current at the start of the winding up, must rank behind all other shares in the repayment of capital on a winding up.~~

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 **10:00 am (Adelaide time) Monday 23 November 2020.**

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.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". 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: 184752
SRN/HIN:
PIN:

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 virtually on **Wednesday 25 November 2020 at 10:00 am (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, 3 and 4** (except where I/we have indicated a different voting intention below) even though **Items 1, 3 and 4** 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, 3 and 4** by marking the appropriate box in step 2 below.

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 Re-election of Director – Wade Dabinett | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Approval of issue of Equity Securities to Wade Dabinett | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 Approval of issue of Equity Securities to Mark Harvey | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 Approval of issue of Equity Securities for the purpose of ASX Listing Rule 7.1A | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 Amendment to the Company's Constitution | <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.

SIGN

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date

____/____/____