

# Candy Club Holdings Limited

ACN: 629 598 778

## Notice of Annual General Meeting

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**Date:** Wednesday 8 May 2019

**Time:** 11:00 am (AEST)

**Venue:** Seasons Botanic Gardens Melbourne

**Address:** 348 St Kilda Road Melbourne VIC 3004

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

**Candy Club Holdings Limited**  
**ACN 629 598 778**  
**Notice of Annual General Meeting**

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**MEETING DETAILS**

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Notice is hereby given that the Annual General Meeting of Candy Club Holdings Limited ACN 629 598 778 will be held at Seasons Botanic Gardens Melbourne, 348 St Kilda Road, Melbourne, VIC, 3004 on Wednesday, 8 May 2019 at 11:00 am AEST.

**Important notes:**

1. You may vote on the items of business to be considered at the Meeting, either in person at the Meeting or by completing and returning the proxy enclosed herein.
2. If you attend the meeting, you will need to register at the registration desk on the day. Registration will commence at 10:45 am.
3. Discussion will take place on all the items of business set out below.
4. The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.
5. Terms and abbreviations used in this Notice of Meeting and Explanatory Memorandum are defined in the Glossary.
6. As explained in the 'voting exclusion statement' below, certain shareholders are excluded from voting in relation to particular resolutions and the Company must disregard any votes cast by those shareholders. Please do not vote if your vote must be disregarded.

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**1. AGENDA FOR THE MEETING**

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**Item 1 - Financial statements and reports**

The Meeting will consider the financial statements and reports of the Company including the income statement, balance sheet, statement of changes in equity, cash flow statement, the notes to the financial statements, the Directors' declaration and the reports of the Directors and Auditors for the period ended 31 December 2018.

While no resolution is required in relation to this item, Shareholders will be given the opportunity to ask questions and make comments on the financial statements and reports.

A representative of the Company's external auditor, HLB Mann Judd, will be present at the Meeting and Shareholders will be given a reasonable opportunity to ask the Company's external auditor questions in relation to the conduct of the audit, the auditor's report, the accounting policies adopted by the Company in relation to the preparation of financial statements, and the independence of the auditor.

The Company's 2018 Annual Report can be viewed online at [www.candyclub.com](http://www.candyclub.com), under the 'investors' page and on the ASX website [www.asx.com.au](http://www.asx.com.au).

Shareholders are requested to submit any written questions relating to the content of the audit report or the conduct of its audit of the Company's financial report for the period ended 31 December 2018 to the Company's external auditor by no later than 11:00 AM AEST on 1 May 2019. A representative of HLB Mann Judd will provide answers to the questions at the Meeting.

## **Item 2 – Resolutions**

### **Resolution 1 - Adoption of Remuneration Report**

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

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the period ended 31 December 2018 and included in the Directors' Report, which is attached to the Financial Statements as required under section 300A of the Corporations Act, be adopted by the Company.”*

**Voting Exclusion Statement:** In accordance with the Corporations Act the Company will disregard any votes cast in relation to this resolution by or on behalf of the Key Management Personnel, which includes the Directors and executives in the consolidated group whose remuneration is included in the Remuneration Report and their closely related parties (“Excluded Persons”). However, the Company need not disregard a vote if:

- it is cast by an Excluded Person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### **Resolution 2 – Re-election of Mr Robert Hines as a Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*“That, Mr Robert Hines, who was appointed a Director of the Company on 24 October 2018, retires and offers himself for re-election, and being eligible, is re-elected as a Director.”*

### **Resolution 3 – Non-Executive Directors Remuneration**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*“That, for the purposes of ASX Listing Rule 10.17 and all other purposes, Shareholders approve the maximum total aggregate amount that may be paid to Non-Executive Directors as remuneration for their services in each financial year to be set at \$250,000 which may be divided among those Directors in the manner determined by the Board of the Company from time to time.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this resolution by or on behalf of a Director of the Company and any of their associates. However, the Company will not disregard a vote if:

- it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

#### **Resolution 4 – Approve Employee Share Option Plan**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*“That, for the purposes of ASX Listing Rule 7.2 (Exception 9) and all other purposes, approval is given to establish and administer the Company’s Employee Share Option Plan and for the issue of Options pursuant to the Plan as an exception to ASX Listing Rule 7.1.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this resolution by or on behalf of a director of the Company (except one who is ineligible to participate in the Employee Share Option Plan) or their associates. However, the Company will not disregard a vote if:

- it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

#### **Resolution 5 – Appointment of Auditor**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*“That, for the purpose of Section 327B of the Corporations Act and for all other purposes, HLB Mann Judd (Vic) Partnership, being qualified and having been nominated by a Shareholder and consented in writing to act in the capacity of auditor, be appointed as an auditor of the Company.”*

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## **2. Information for shareholders**

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### **Entitlement to attend and vote at the Meeting**

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)* that for the purpose of ascertaining a person’s entitlement to vote at the Meeting, a person will be recognized as a shareholder and the holder of Shares and will be entitled to vote at the Meeting if that person is registered as a holder of those Shares at 7:00 pm AEST on 6 May 2019.

### **Votes**

Unless a poll is demanded in advance of voting on a resolution, voting on each resolution will initially be by way of a show of hands. On a show of hands, each member present in person or by proxy or, in the case of a body corporate, by a representative, shall have one vote.

On a poll, every member present in person or by attorney or by proxy or, in the case of a body corporate, by a representative, shall have one vote for each share held by him, her or it.

In the case of joint shareholders, all holders may attend the Meeting but only one holder may vote at the Meeting in respect of the relevant shares (including by proxy). If more than one joint holder is present, and more than one of the joint holders vote in respect of the relevant shares, only the vote of the joint holder whose name stands first in the register in respect of the relevant shares is counted.

## **Proxies**

A Shareholder entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of the Shareholder.

Where the Shareholder is entitled to cast two or more votes, the Shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

A proxy need not be a Shareholder and may be a body corporate.

If a Shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it appoints an individual as its corporate representative to exercise its powers at the Meeting and provide satisfactory evidence of the appointment of its corporate representative prior to the commencement of the Meeting.

If a Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on the Resolutions by marking either "For", "Against" or "Abstain" on the form of proxy for that item of business. An instrument of proxy deposited or received at the registered office of the Company in which the name of the appointee is not filed in will be deemed to be given in the favour of the Chairman of the Meeting.

### ***Voting by Proxy if appointment specifies way to vote:***

Section 250BB(1) of the *Corporations Act* provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution, and if that appointment does specify the way the proxy is to vote, then the following applies:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote as directed; and
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution then the proxy must not vote on a show of hands; and
- (c) if the proxy is the chair of the meeting at which the resolution is voted on then the proxy must vote on a poll and must vote as directed; and
- (d) if the proxy is not the chair then the proxy need not vote on the poll, but if the proxy does so, the proxy must vote as directed.

### ***Transfer of non – chair proxy to chair in certain circumstances:***

Section 250BC of the *Corporations Act* provides that if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the chair of the meeting; and
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
  - (i) if a record of attendance is made for the meeting – the proxy is not recorded as attending the meeting;
  - (ii) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

***Undirected vote – Resolutions***

Subject to the voting restrictions set out in the Voting Exclusion Statements, the Chairperson will vote undirected proxies on, and in favour of all Resolutions.

***Direction to Chairman for Resolutions 1, 3 and 4***

If the proxy is the Chairman, the Chairman can also vote undirected proxies on Resolutions 1, 3 and 4 provided that proxy form expressly authorises the Chairman to vote on Resolutions 1, 3 and 4 even though these Resolutions are connected with the remuneration of key management personnel.

The Chairman will not vote any undirected proxies in relation to Resolutions 1, 3 and 4 unless the Shareholder expressly authorises the Chairman to vote in accordance with the Chairman's stated voting intentions in their proxy form – Subject to the voting restrictions set out in the Voting Exclusion Statements, the Chairperson intends to, and, if so authorized by a Shareholder, will, vote undirected proxies on, and in favour of Resolutions 1, 3 and 4.

A form of proxy accompanies this Notice.

A corporate shareholder must sign the proxy form in accordance with its constitution or otherwise in accordance with the Corporations Act.

To be effective, the instrument of appointment of a proxy (and power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority) must be received by the Company, by mail at Automic GPO Box 5193 Sydney NSW 2001, in person Level 5, 126 Phillip Street Sydney NSW 2000 or by email at [meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au) by 11:00 am AEST on 6 May 2019.

**Proxy Forms received later than this time will be invalid.**

**Questions**

The Meeting is intended to give shareholders opportunity to hear both the Chairman and the Group Chief Executive Officer to talk about the year that has just passed and also give some insight into the Company's prospects for the year ahead.

A reasonable opportunity will be given to Shareholders to ask questions and/or make comments on the management of the Company at the Meeting.

A reasonable opportunity will be given for Shareholders to ask questions of the Company's external auditor, HLB Mann Judd. These questions should be relevant to:

- a) the conduct of the audit;
- b) the preparation and contents of the audit report;
- c) the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- d) the independence of the auditor in relation to the conduct of the audit.

If you have any questions in regard to this Notice, please contact the Company Secretary, Justyn Stedwell, on +61(0) 3 9191 0135.

## EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in this Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

### **Item 1 – Annual Report**

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As required by section 317 of the Corporations Act, the Financial Report, Directors' Report and Auditor's Report of the Company for the most recent financial year will be laid before the Meeting. These reports are contained in the Annual Report, which is available online at [www.candyclub.com](http://www.candyclub.com) and on the ASX website [www.asx.com.au](http://www.asx.com.au).

During this item of business, Shareholders will be given the opportunity to ask questions about, or make comments on, the management of the Company generally but there will be no formal resolution put to the Meeting.

Similarly, a reasonable opportunity will be given to shareholders, as a whole, to ask the Company's Auditor, HLB Mann Judd, questions relevant to the conduct of the audit, the preparation and content of the Auditor's report, the accounting policies adopted by the Company in relation to the preparation of its financial statements and the independence of the Auditor in relation to the audit for the financial year ended 31 December 2018.

Shareholders are requested to submit written questions relating to the content of the audit report or the conduct of its audit of the Company's financial report for the period ended 31 December 2018 to the Company's external Auditor no later than 11:00 am AEST on 1 May 2019. A representative of HLB Mann Judd will provide answers to the questions at the Meeting.

### **Item 2 – Resolutions**

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#### **Resolution 1 - Adoption of remuneration report**

In accordance with Section 300A(1) of the Corporations Act the Remuneration Report is included in the Directors Report for the financial year ended 31 December 2018.

The Remuneration Report sets out details of the remuneration received by the directors and key Company executives, in addition to describing Board policy in respect of remuneration. Resolution 1 seeks shareholder approval of the adoption of the Remuneration Report by the Company.

The outcome of this resolution is not binding on the Company or the Board. However, sections 250U to 250Y of Corporations Act set out a 'two strikes and re-election' process in relation to the shareholder vote on the Remuneration Report which provide that:

- A 'first strike' will occur if this Remuneration Report resolution receives a 'no' vote of 25% or more. If this occurs, the Company's subsequent remuneration report will contain an explanation of the Board's proposed action in response to the 'no' vote or an explanation of why no action has been taken by the Board.

- A 'second strike' will occur if the resolution to adopt the Remuneration Report at the following Company Annual General Meeting also receives a 'no' vote of 25% or more. If this occurs, shareholders will vote at that Annual General Meeting to determine whether the Directors will need to stand for re-election at a separate, subsequent meeting (the 'spill resolution'). If the spill resolution passes with 50% or more of eligible votes cast, the spill meeting must take place within 90 days.

The Board believes the Remuneration of the Company's key management personnel (KMP) is appropriate and in line with market rates. The Remuneration Report is set out in the Company's 2018 Annual Report. The 2018 Annual Report can be online at [www.candyclub.com](http://www.candyclub.com) and on the ASX website [www.asx.com.au](http://www.asx.com.au), (ASX Code: CLB).

### **Resolution 2 - Re-election of Mr Robert Hines as a Director**

Mr Robert Hines, a Director appointed on 24 October 2018 retires at the close of this Annual General Meeting and, being eligible for re-election offers himself for re-election as a Director pursuant to Article 104 of the Company's Constitution.

Robert has been a member of the Australian Institute for Company Directors (AICD) since 1997, including serving on the AICD Board in Queensland from 2000 to 2004.

Mr Hines has held a number of Board positions since 2001, including Chairman of Genetraks Ltd, Group Chairman of the CEO Circle, executive director of VeCommerce Ltd and non-executive director of Sportsbet Pty Ltd.

He was also a member of the Advisory Board of Griffith University from 2002 to 2004.

Robert is a non-executive director of Peninsula Leisure Pty Ltd and the Chairman of the Advisory Board of Sportsbet Pty Ltd. Robert previously held the role of CEO of Racing Victoria Limited (RVL) from 2008 to 2012. RVL is the peak body for thoroughbred horse racing in Victoria, with a budget exceeding \$300 million per annum, direct responsibility for up to 200 staff and indirect responsibility for 58 race clubs and numerous member associations. As CEO of RVL, Robert oversaw all aspects of the operation and management for thoroughbred horse racing in Victoria, including the strategic direction of the business and stakeholder, government and member relations.

Robert was previously the CEO of Jupiters Limited from 2000 to 2005. Jupiters Limited is a public company with diverse interests in tourism, leisure, gaming and technology, including 3 hotel/casinos in Queensland. It was acquired by TABCORP in 2005 to form the largest gaming entertainment company in Australia. Prior to that, Robert held the role of CEO of AWA Limited from 1997 to 2000, which has interests ranging from communications, micro-electronics, defence, traffic-control systems and computers, to marine, general aviation, radio broadcasting, tracking stations, closed-circuit televisions, surveillance systems and electrical equipment. Renowned for being at the technological forefront, AWA pioneered the introduction of both television and radio in Australia.

Robert is also currently a non-executive director of the Sporting Chance Cancer Foundation and the Chairman of World of Difference Volunteer Tourism.

Resolution 2 seeks approval for the re-election of Robert Hines as a Director of the Company.

### **Resolution 3 – Non-Executive Directors Remuneration**



ASX Listing Rule 10.17 requires that the maximum total aggregate remuneration that may be paid to Non-Executive Directors of the Company be set by the Shareholders at a general meeting.

Resolution 3 seeks Shareholder approval to set the total aggregate remuneration that may be paid to Non-Executive Directors to \$250,000 per annum. This has been determined after reviewing similar companies listed on ASX and the Directors believe that this maximum level of remuneration is in line with corporate remuneration of similar companies. As this is the Company's first general meeting, no maximum total aggregate amount that may be paid to Non-Executive Directors of the Company has been approved previously.

It is noted that it is not presently intended to increase Non-Executive Directors remuneration or distribute all of the \$250,000 (if approved) in the current year, rather it will assist in accommodating any increase in the number of Directors and provide the flexibility to allow payment of appropriate fees over time.

No Company securities have been issued to a Non-Executive Director under ASX listing rule 10.11 or 10.14 with the approval of the holders of the Company's ordinary securities at any time within the preceding 3 years.

#### **Resolution 4 – Approve Employee Share Option Plan**

The purpose of resolution 4 is to seek shareholder approval to establish and maintain the Company's Employee Share Option Plan ("the Plan") to provide ongoing incentives to employees and consultants of the Company. If this Resolution is passed, the Plan will enable the Company to issue options to subscribe for Shares in the Company (and to issue Shares upon exercise of such Options) from time to time to employees and consultants as part of a performance-based incentive program. The Options will be granted and issued under the Plan at the discretion of the Board.

ASX Listing Rule 7.1 provides that a listed Company must not, subject to certain exceptions, issue or agree to issue more than 15% of its capital within a 12-month period without the approval of shareholders.

An exception to Listing Rule 7.1 is Listing Rule 7.2 – Exception 9, which provides that Listing Rule 7.1 does not apply to an issue under an employee incentive scheme if, within three years of the date of issue, shareholders have approved the issue as an exception to Listing Rule 7.1.

Resolution 4 seeks Shareholder approval to establish and maintain the Plan and to enable the Company to grant Options in accordance with the Rules of the Plan and as an exception to ASX Listing Rule 7.1 (in accordance with ASX Listing Rule 7.2 – Exception 9).

No securities have previously been issued under the Plan.

A summary of the Rules of the Plan is set out in Appendix A.

A voting exclusion statement is included in the Notice.

#### **Resolution 5 – Appointment of Auditor**

Section 327B(1) of the Act provides that a public company must appoint an auditor at its first annual general meeting and thereafter to fill a vacancy in the office of auditor at each subsequent annual general meeting.

In accordance with Section 328B(1) of the Act, the Company has sought and obtained a nomination from a Shareholder for HLB Mann Judd to be appointed as the Company's auditor. A copy of this nomination is enclosed with this Notice of Meeting as Appendix B.

HLB Mann Judd has given its written consent to act as the Company's auditor subject to Shareholder approval of this Resolution 5.

If Resolution 5 is passed, the appointment of HLB Mann Judd as the Company's auditor will take effect at the close of this Meeting.

Justyn Stedwell

***Company Secretary***

On behalf of the Board of Directors

Candy Club Holdings Limited

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## GLOSSARY

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In the Notice of Meeting and Explanatory Statement the following terms have the following meanings:

**AEST** means Australian Eastern Standard Time.

**Annual Report** means the Directors' Report, Financial Report and Independent Auditor's Report in respect of the period ended 31 December 2018.

**ASX** means ASX Limited ACN 008 624 691 or, as the context requires, the Australian Securities Exchange operated by ASX Limited.

**Board** means the Board of Directors of the Company

**Company** means Candy Club Holdings Limited ACN 629 598 778.

**Constitution** means the constitution of the Company.

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

**Directors** means the current directors of the Company.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement to this notice of Annual General Meeting.

**Meeting** means the Annual General Meeting of the Shareholders of the Company to be held on 8 May 2019, to which the Notice of Meeting and Explanatory Statement relate.

**Notice** or **Notice of Meeting** means this notice of Annual General Meeting of the Company dated 5 April 2019.

**Option** means an option to acquire a Share.

**Resolution** means a resolution referred to in the Notice.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of Shares.

Words importing the singular include the plural and vice versa.

## Appendix A

### Employee Share Option Plan Key terms

A summary of the key terms of the Employee Share Option Plan (**ESOP**) are provided below:

Securities offered	<p>The ESOP provides for options (<b>Plan Options</b>) to be granted at no cost to selected Eligible Employees.</p> <p>A Plan Option is an option to acquire an ordinary share in the Company (each a <b>Share</b>) upon payment of an exercise price.</p>
Eligible Employees	<p>Under the ESOP, the Board may issue the Plan Options to employees, contractors and directors of the Group and their related bodies corporate, and to other persons determined by the Board (<b>Eligible Employees</b>).</p> <p>The <b>Group</b> consists of the Company, its Subsidiaries and any other entity declared by the Board to be a member of the group for the purposes of the ESOP.</p>
Maximum number of Plan Options offered	<p>The ESOP (and therefore the Plan Options) must comply with ASIC class order CO14/1000 and the U.S. Internal Revenue Code (as applicable), including, but not limited to:</p> <p>(a) imposing limits on the number of securities offered such that:</p> <ul style="list-style-type: none"><li>the total Plan Options issued pursuant to the ESOP and in reliance on CO14/1000 must not exceed 5% of the total issued capital of the Company on a rolling three year basis; and</li><li>the total number of Shares over which Plan Options may be issued to U.S. Eligible Employees pursuant to the U.S. Internal Revenue Code must not exceed 10,000,000 Shares;</li></ul> <p>(b) Plan Options will only be available to be issued to Eligible Employees in reliance of CO14/1000 after three months after quotation of the Company on the ASX.</p> <p>A <b>U.S. Eligible Employee</b> is an Eligible Employee who resides in or otherwise is subject to tax in the United States.</p>
Exercise price, vesting conditions, exercise period and lapsing conditions	<p>The Board may determine the exercise price, vesting conditions, exercise period and lapsing conditions and any other terms applicable to a grant of a Plan Option.</p> <p>However, where Plan Options to be granted are to any U.S. Eligible Employee, then the exercise price must not be less than the fair market value of the Shares subject to the Plan Options, as determined in accordance with Section 409A of the U.S. Internal Revenue Code.</p> <p>As at the date of this Notice, under Section 409A of the U.S. Internal Revenue Code, the fair market value of Shares is the closing price of the Shares on the day immediately preceding the date when the Board approves the grant, or where the grant of the Plan Options is conditional on certain conditions being fulfilled (other than Shareholders approval), those conditions are fulfilled, whichever occurs later.</p>
Quotation	<p>The Plan Options will not be quoted on the ASX. However, upon exercise of the Plan Options into Shares, the Company must apply for the official quotation of the Shares arising from the exercise.</p>

Dividend or voting rights	The Plan Options will not carry any dividend or voting rights.
Control transaction	In the event of a takeover, scheme of arrangement or other transaction may result in a person becoming entitled to exercise control over the Company, the Board has discretion to determine whether any unissued Shares on exercise of the Plan Options should be issued, lapse or become subject to different issuing conditions.
Ceasing employment	<p>In general, where an Eligible Employee ceases employment with the Company prior to the Plan Options being issued and the Plan Options having not vested, all unissued Plan Options and unvested Plan Options will lapse on:</p> <ul style="list-style-type: none"> <li>• in relation to an Eligible Employee who is not a U.S. Eligible Employee, that date; and</li> <li>• in relation to a U.S. Eligible Employee only: <ul style="list-style-type: none"> <li>○ 3 months from the date of termination or cessation of the employment (other than as a result of death or permanent disability); or</li> <li>○ 6 months from the date of death or permanent disability of that U.S. Eligible Employee.</li> </ul> </li> </ul> <p>However, in certain circumstances approved for this purpose by the Board, the Board may determine the treatment of any unissued Plan Options and unvested and vested Plan Options.</p> <p>In circumstances where termination is as a result of criminal conviction, dishonesty, fraud, wilful misconduct, wilful breach of duty, serious and wilful negligence or incompetence in the performance of the Eligible Employee's duties, Board may declare that any Plan Options (vested or unvested) have lapsed.</p>
Reconstruction of capital	If at any time the issued capital of the Company is constructed, all rights of a Plan Option holder are to be changed in a manner consistent with the ASX Listing Rules at the time of the reconstruction, or if the ASX Listing Rules do not apply, shall be proportionately adjusted for any increase or decrease in the number of issued Shares.
Participation in new issues	There are no participation rights or entitlements inherent in the Plan Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Plan Options without exercising the Plan Options.
Bonus Issue	If the Company makes a bonus issue to the Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend re-investment), the number of Shares over which a Plan Option is exercisable shall be increased number of Shares which the holder of that Plan Option would have received if the Plan Option had been exercised prior to the record date for the bonus issue.
Change in exercise price	A Plan Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Plan Option can be exercised.
Transferability	<p>In relation to Plan Options held by U.S. Eligible Employees, a Plan Option held by a U.S. Eligible Employee, the Plan Option is only transferrable if permitted under Rule 701 of the U.S. Securities Act of 1993.</p> <p>In relation to other Plan Options, they are only transferrable with the consent of the Board, by the force of law, upon death to the Plan Option</p>

	holder's legal personal representative or upon bankruptcy to the relevant Plan Option holder's trustee in bankruptcy.
Administration	The ESOP will be administered by the Board which, subject to the ASX Listing Rules and applicable legal requirements, is given the power to make all required determinations under the ESOP and to waive or modify the application of the terms of the ESOP and the securities offered under it as it considers appropriate.
Amendment	The ESOP and the terms of the rules can only be amended in compliance with all applicable laws (including the ASX Listing Rules).
Term of the ESOP	The Board may suspend or terminate the ESOP at any time. However, the ESOP shall terminate 10 years from the earlier of (i) the date the Board approves the ESOP; or (ii) the date the Shareholders approve the ESOP.

A copy of the ESOP will be available for inspection at the Company's registered office during normal business hours.

As this is a new ESOP, no securities have been issued under it to date.

Appendix B

2 April 2019

The Board of Directors  
Candy Club Holdings Limited  
1B/205-207 Johnston St  
Fitzroy VIC 3065

Dear Directors

**NOTICE AUDITOR NOMINATION**

Pursuant to section 328B of the Corporations Act 2001, I, Chi Kan Tang, being a shareholder and Director of Candy Club Holdings Limited, hereby nominate HLB Mann Judd (Vic) Partnership of Level 9, 575 Bourke St, Melbourne VIC 3000 for appointment as Auditor of the Company.

Yours faithfully



Chi Kan Tang



Candy Club Holdings Limited | ACN 629 598 778

# AGM Registration Card

If you are attending the meeting in person, please bring this with you for Securityholder registration.

## Vote by Proxy: CLB

Your proxy voting instruction must be received by **11.00am (AEST) on Monday 6 May 2019** being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

### SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



### SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

#### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

#### VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

#### DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

#### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

#### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

#### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all of the Shareholders 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 Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

#### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

#### ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

#### POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.





