



ASX RELEASE | Schrole Group Limited (ASX:SCL)

AGM Update and teleconference details

24 May 2021: Schrole Group Limited (ASX: SCL) (“**Schrole**” or the “**Company**”) wishes to provide the following update in relation to the Notice of Annual General Meeting announced to the ASX on 28 April 2021.

Withdrawal of Resolution

Following the resignation of Mr Shaun Hardcastle as a director on 18 May 2021, the Board of Schrole wishes to advise shareholders that it is withdrawing the following resolutions in the Notice of Annual General Meeting which has been sent to shareholders:

- Resolution 2 - “Re-election of Mr Shaun Hardcastle”
- Resolution 7(b) - “Approval to issue Options to Non-Executive Directors – Shaun Hardcastle”

The withdrawal of these items of business does not affect the validity of the proxy form attached to the Notice of Annual General Meeting or any proxy votes already made.

Shareholders wishing to complete and lodge a proxy in relation to the Annual General Meeting, which will be held on 31 May 2021, do not need to indicate their voting instructions on Resolution 2 and Resolution 7(b).

Amendment to Incentive Option terms – Resolution 7

Following consultation with shareholders, the Company wishes to advise that the issue of options to Non-Executive Directors under Resolutions 7(a), (c) and (d) will also include the following term to be added to Schedule 4 (attached) – Terms and Conditions of Incentive Options:

“Vesting

The Options will vest following the Holder’s continuous engagement as a Director with the Company for a period of 12 months from the date of the Annual General Meeting.”

Consequential amendments have been made to accommodate the above amendment. The amended terms and conditions are in the schedule to this announcement.

Teleconference facilities

The Company will hold a physical meeting with the appropriate social gathering and physical distancing measures in place to comply with the Federal Government’s and State Government’s current restrictions on physical gatherings.

However, in order to minimise the risk to shareholders and to the Company and its ongoing operations, Shareholders are encouraged to vote by proxy instead of attending the meeting.

The Meeting will be available to all Shareholders via teleconference which will allow Shareholders to listen and observe the Meeting.

Shareholders can register to attend via teleconference by using the following link:

<https://s1.c-conf.com/diamondpass/10014207-sc3e4n.html>

Shareholders will receive dial in details once registered. Only Shareholders will be able to listen to the meeting.

The situation regarding COVID-19 is evolving rapidly and the Company is following the guidance of the Australian Government. Shareholders are encouraged to monitor the Company's ASX announcements for any further updates in relation to the Meeting.

This announcement was authorised for release by the Company Secretary of Schrole Group Limited.

-ENDS-

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Schedule 4 Terms and Conditions of Incentive Options

1. Entitlement

The Options entitle the holder (**Holder**) to subscribe for one Share upon the exercise of each Option.

1. Consideration

The Options will be granted for nil cash consideration.

2. Exercise Price and Expiry Date

The Options will be granted with the Exercise Price and Expiry Date as follows:

Class	Exercise Price	Expiry Date
A	\$0.03	31 December 2023
B	\$0.045	31 December 2023
C	\$0.06	31 December 2024

3. Vesting

The Options will vest following the Holder's continuous engagement as a Director with the Company for a period of 12 months from the date of the Annual General Meeting.

4. Expiry Date

All unvested, or vested but unexercised, Options will expire automatically at 5.00 pm WST on the date specified in clause 3.

5. Notice of Exercise

The vested Options may be exercised at any time before the Expiry Date by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

6. Timing of issue of Shares and quotation of Shares on exercise

Within 5 Business Days after the Exercise Date, the Company will:

- (a) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

- (b) issue a substitute Certificate for any remaining unexercised Options held by the Holder;
- (c) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (d) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules.

All Shares issued upon the conversion of Options will upon issue rank equally in all respects with the then issued Shares.

7. Restrictions on transfer of Shares

If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of an Option may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

8. Participation in new issues

There are no participation rights or entitlements inherent in the Options and a holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will give the holder notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.

9. Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment) no changes will be made to the Options.

10. Adjustments for reorganisation

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

11. Quotation of Options

The Options will be unquoted Options.

12. Options non-transferable

The Options are non-transferable.

13. Dividend rights

An Option does not entitle the Holder to any dividends.

14. Return of capital rights

The Options do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

15. **No other rights**

A Option does not give a Holder any rights other than those expressly provided by these terms, the Agreement and those provided at law where such rights at law cannot be excluded by these terms.