

ASX RELEASE

7 October 2022

2022 ANNUAL GENERAL MEETING - NOTICE OF MEETING

Hygrovest Limited (ASX:HGV) ("HGV") is an Australian-listed specialist investment company which concentrates on producing capital growth for shareholders over the medium term from investments in listed and unlisted equities and other financial assets.

2022 Annual General Meeting - Notice of Meeting

On 30 August 2022 HGV advised that the 2022 Annual General Meeting (**AGM**) will be held on 24 November 2022 at 9.00am (AWST). Please find attached the Notice of Meeting, Proxy Form and Letter to Shareholders.

The AGM will be held at the office of Steinepreis Paganin, Level 4, The Read Buildings, 16 Milligan Street, Perth WA 6000 and virtually via HGV's share registry, Automic Group's online platform.

HGV is only sending hard copies of the Notice of Meeting (Notice) to those Shareholders who have requested that HGV do so. To review and download the Notice, please go to <https://hygrovest.com.au/agm/>

Shareholders will be able to participate in HGV's AGM by:

- attending the office of Steinepreis Paganin, Level 4, The Read Buildings, 16 Milligan Street, Perth WA 6000;
- registering for the AGM at <https://hygrovest.com.au/agm/>
- asking questions of the Board and our external auditor:
 - o before the AGM, by lodging questions online at info@hygrovest.com.au; and/or
 - o during the AGM via the question and answer function on the AGM online platform; and
- voting on the resolutions to be considered at the AGM by following the instructions in the Notice.

Investor and Media Enquiries

Announcement authorised for release to ASX by:

Jim Hallam

Chief Financial Officer and Company Secretary

E: Compsec@hygrovest.com.au

About HGV

Hygrovest Limited (ASX:HGV) ("HGV") (ABN 91 601 236 417) is an Australian-listed specialist investment company which concentrates on producing capital growth for shareholders over the medium term from investments in listed and unlisted equities and other financial assets.

Important Notice

This announcement contains reference to certain intentions, expectations, future plans, strategy and prospects of HGV. Those intentions, expectations, future plans, strategy and prospects may or may not be achieved. They are based on certain assumptions, which may not be met or on which views may differ and may be affected by known and unknown risks. The performance and operations of HGV may be influenced by a number of factors, many of which are outside the control of HGV. No representation or warranty, express or implied, is made by HGV, or any of its directors, officers, employees, advisers or agents that any intentions, expectations or plans will be achieved either totally or partially or that any particular rate of return will be achieved. Given the risks and uncertainties that may cause HGV's actual future results, performance or achievements to be materially different from those expected, planned or intended, recipients should not place undue reliance on these intentions, expectations, future plans, strategy and prospects. HGV does not warrant or represent that the actual results, performance or achievements will be as expected, planned or intended. Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in HGV. This document does not constitute any part of any offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of any "US person" as defined in Regulation S under the US Securities Act of 1993 ("Securities Act"). HGV's shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any US person without being so registered or pursuant to an exemption from registration including an exemption for qualified institutional buyers.

ASX RELEASE

7 October 2022

Dear Shareholders

On behalf of the Directors of **Hygrovest Limited** (HGV or the Company), I am pleased to invite you to attend HGV's Annual General Meeting (AGM or Meeting). The AGM will be held at the office of Steinepreis Paganin, Level 4, The Read Buildings, 16 Milligan Street, Perth WA 6000 and virtually via Automic Group's online platform. Shareholders will be able to watch, listen, and vote online.

The AGM will be held at 9.00am (AWST) **on 24 November 2022**.

To review and download the Notice of Meeting (Notice), including details about how to access the Meeting, please visit our website <https://hygrovest.com.au/agm/>. Hard copies will not be sent to Shareholders.

The Notice explains in detail the items of business you will be asked to consider at the AGM. You should carefully read the Notice and Explanatory Statement before deciding how to vote on each resolution. To vote by proxy, please complete and sign the attached Proxy Form, and return it in accordance with the instructions set out on the Proxy Form.

Shareholders will be able to participate in HGV's AGM by:

- attending the office of Steinepreis Paganin, Level 4, The Read Buildings, 16 Milligan Street, Perth WA 6000;
- attending the virtual AGM as per the instructions set out in the Notice;
- logging in or registering to vote at the AGM at www.investor.automic.com.au;
- asking questions of the Board and our external auditor:
 - before the AGM, by lodging questions online at info@hygrovest.com.au; and/or
 - during the AGM via the question and answer function on the AGM online platform; and
- voting on the resolutions to be considered at the AGM by following the instructions in the Notice.

We recommend logging on to the Company's share registry online platform at least 20 minutes prior to the scheduled start time for the Meeting, using the instructions in the Notice.

On behalf of the Board, I would like to thank you for your continued support during the year.

Yours faithfully



Peter Wall
Chairman

HYGROVEST LIMITED
ACN 601 236 417
NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 9:00am (AWST) / 12:00pm (AEDT)

DATE: 24 November 2022

PLACE: The Company is pleased to provide Shareholders with the opportunity to attend in person and/or participate in a hybrid Meeting through an online meeting platform powered by Automic, where Shareholders will be able to watch, listen, and vote online.

**The office of Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000**

Details on how to access the virtual Meeting are set out in this Notice.

The business of the Meeting affects your shareholding and your vote is important.

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.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm (AWST) on 22 November 2022.

The ASX takes no responsibility for the contents of this Notice.

BUSINESS OF THE MEETING

AGENDA

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Annual Financial Report of the Company for the financial year ended 30 June 2022 together with the Declaration of the Directors, the Director's Report, the Remuneration Report and the Auditor's Report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's Annual Financial Report for the financial year ended 30 June 2022.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

A voting prohibition statement applies to this Resolution. Please see below.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – PETER WALL

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

“That, for the purpose of clause 14.2 of the Constitution, Listing Rules 14.4, and for all other purposes, Mr Peter Wall, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MICHAEL CURTIS

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

“That, for the purpose of clause 14.2 of the Constitution, Listing Rules 14.4, and for all other purposes, Mr Michael Curtis, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 4 – APPROVAL OF 7.1A MANDATE

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, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

5. RESOLUTION 5 – ISSUE OF PERFORMANCE RIGHTS TO PARALLAX VENTURES INC

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 10.11 and for all other purposes, approval is given for the Company to issue 6,500,000 Performance Rights to Parallax Ventures Inc. (or its nominee) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution.
Please see below.

6. RESOLUTION 6 – REPLACEMENT OF CONSTITUTION

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

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes.”

7. RESOLUTION 7 – ADOPTION OF INCENTIVE PERFORMANCE RIGHTS AND OPTIONS 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 Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Incentive Performance Rights and Options Plan and for the issue of a maximum of 11,000,000 securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution.
Please see below.

Dated: 7 October 2022

By order of the Board

**Jim Hallam
Company Secretary**

Voting Prohibition Statements

<p>Resolution 1 – Adoption of Remuneration Report</p>	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:</p> <ul style="list-style-type: none"> (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or (b) a Closely Related Party of such a member. <p>However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none"> (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or (b) the voter is the Chair and the appointment of the Chair as proxy: <ul style="list-style-type: none"> (i) does not specify the way the proxy is to vote on this Resolution; and (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
<p>Resolution 7 – Adoption of Incentive Performance Rights and Option Plan</p>	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution set out below by or on behalf of the following persons:

<p>Resolution 5 – Issue of Performance Rights to Related Party</p>	<p>Parallax Ventures Inc. (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.</p>
<p>Resolution 7 – Adoption of Incentive Performance Rights and Option Plan</p>	<p>A person who is eligible to participate in the employee incentive scheme or an associate of that person or those persons.</p>

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

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair 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 Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Virtual Meeting

Venue

The Board of Directors of Hygrovest Limited (**Hygrovest** or **Company**) cordially extends an invitation to you to join Hygrovest's Annual General Meeting (**AGM**) at 9:00am (Perth time) / 12:00pm (Sydney time) on 24 November 2022. Registration will open from 8.30am (Perth time).

This year Hygrovest will hold a hybrid AGM, both in-person at the office of Steinepreis Paganin, Level 4, The Read Buildings, 16 Milligan Street, Perth, as well as virtually through an online platform (www.hygrovest.com.au/agm) for those who prefer to attend remotely or are not able to attend in person. The online platform will enable Shareholders to view the meeting, ask questions (in writing and orally) in relation to the business of the meeting and vote in real time.

Hygrovest continues to monitor the ongoing risks of COVID-19. Should it become necessary to restrict the ability of Shareholders to attend the AGM in person or impose any COVID-19 related precautionary measures on attendance, the Company will inform you via the ASX platform and its investor website (www.Hygrovestlimited.com). While you will be able to vote online during the AGM, you are encouraged to lodge a vote by proxy ahead of the meeting.

If you wish to virtually attend the Meeting (which will be broadcast as a live webinar), please pre-register in advance for the Meeting here: <https://hygrovest.com.au/agm/>

After registering, you will receive a confirmation containing information on how to attend the Meeting.

Shareholders will be able to vote and ask questions at the Meeting. Shareholders are also encouraged to submit questions in advance of the Meeting to the Company. Questions can be submitted in writing to Jim Hallam, Company Secretary at info@hygrovest.com.au at least 48 hours before the Meeting.

The Company will also provide Shareholders with the opportunity to ask questions during the Meeting in respect to the formal items of business as well as general questions in respect to the Company and its business.

Shareholders who join the Meeting will have the opportunity to:

- ask questions online of the Chair and the external auditors;
- hear the responses to questions asked online during the Meeting and before the Meeting using the Question Form or online lodgement; and
- cast a vote on the resolutions to be considered at the Meeting.

Voting virtually

Shareholders who wish to vote virtually on the day of the Meeting will need to login to the Automic website (investor.automic.com.au) with their username and password.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account **as soon as possible and well in advance** of the Meeting to avoid any delays on the day of the Meeting.

How do I create an account with Automic?

To create an account with Automic, please go to the Automic website (investor.automic.com.au), click on 'register' and follow the steps. Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

I have an account with Automic, what are the next steps?

Shareholders who have an existing account with Automic (Note: with a username and password) are advised to take the following steps to attend and vote virtually on the day of the Meeting:

- Login to the Automic website (investor.automic.com.au) using your username and password.
- If registration for the virtual Meeting is open, click on 'Meeting open for registration' and follow the steps.
- If live voting for the virtual Meeting is open, click on 'Meeting open for voting' and follow the steps.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

If you sign the enclosed Voting Form and no direction is given, the Chair will be appointed as your proxy. The Chair intends to vote undirected proxies on, and in favour of, all resolutions.

Voting in person

The Company is pleased to provide Shareholders with the opportunity to attend and participate in a Meeting through an online meeting platform powered by Automic, where Shareholders will be able to watch, listen, and vote online.

Resolution by Poll

In accordance with clause 13.16 of the Company's Constitution, the Chair intends to call a poll on each resolution proposed at the Meeting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 2 9236 7334.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2022 together with the Declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

The Company will not provide a hard copy of the Company's Annual Financial Report to Shareholders unless specifically requested to do so. The Company's Annual Financial Report is available on its website at www.hygrovest.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (Spill Resolution) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (Spill Meeting) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous Annual General Meeting the votes cast against the Remuneration Report considered at that Annual General Meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – PETER WALL

3.1 General

Listing Rule 14.4 and clause 14.2 of the Constitution provide that, other than a managing director, a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or three years, whichever is the longer. However, where there is more than one managing director, only one is entitled to be exempt from this rotation requirement.

Peter Wall, who has served as a Director since 14 August 2014 and was last re-elected on 28 November 2019, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

In accordance with Recommendation 1.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition), the Company provides the following information in respect to Mr Peter Wall:

- a) **Position:** Mr Wall holds the position of Non-Executive Chairman of the Company.
- b) **Length of Service:** Mr Wall was appointed as a Director of the Company on 14 August 2014.
- c) **Formal Qualifications:** Peter graduated from the University of Western Australia in 1998 with a Bachelor of Laws and Bachelor of Commerce (Finance). He has also completed a Masters of Applied Finance and Investment with FINSIA.
- d) **Skills and Experience:** Mr Wall is a corporate lawyer and has been a Partner at Steinepreis Paganin (Perth based corporate law firm) since July 2005 and has a wide range of experience in all forms of commercial and corporate law, with a particular focus on natural resources (hard rock and oil/gas), technology, life sciences, equity capital markets and mergers and acquisitions. He also has significant experience in dealing in cross border transactions.
- e) **Other Listed Company Directorships:** Mr Wall currently holds the following directorships:
 - (i) Non-Executive Chairman of Minbos Resources Ltd (appointed 21 February 2014).
 - (ii) Non-Executive Chairman of Pursuit Minerals Limited (previously Burrabulla Corporation Limited) (appointed Director 13 January 2016).

3.3 Independence

If re-elected the Board considers Mr Wall will be an independent Director in accordance with the Company's policy on independence for Non-Executive Directors.

3.4 Board recommendation

The Board has reviewed Mr Wall's performance since his appointment to the Board and considers that his skills and experience particularly in the area of corporate governance of ASX listed companies and investment will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Mr Wall and recommends that Shareholders vote in favour of Resolution 2.

The Board considers that Mr Wall's extensive experience in all forms of commercial and corporate law as well as his lengthy experience as a chairman and/or director of listed Australian and overseas companies in a variety of industries, greatly enhances the Board's acumen and ability to appropriately govern Hygrovest. Prior to submitting himself for election, Mr Wall confirmed that he would continue to have sufficient time to properly fulfil his Director's duties for the Company.

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MICHAEL CURTIS

4.1 General

Listing Rule 14.4 and clause 14.2 of the Constitution provide that, other than a managing director, a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or three years, whichever is the longer. However, where there is more than one managing director, only one is entitled to be exempt from this rotation requirement.

Mr Michael Curtis, who has served as a Director since 8 January 2019 and was last re-elected on 28 November 2019, retires by rotation and seeks re-election.

4.2 Qualifications and other material directorships

In accordance with Recommendation 1.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition), the Company provides the following information in respect to Mr Curtis:

- a) **Position:** Mr Curtis holds the position of Non-Executive Director of the Company.
- b) **Length of Service:** Mr Curtis was appointed as a Director of the Company on 8 January 2019.
- c) **Formal Qualifications:** Michael has a Master of Business Administration, University of New Brunswick, Major: International Finance and a Bachelor of Sciences (Honours), McMaster University.
- d) **Skills and Experience:** Mr. Curtis is an experienced former investment banker and private equity executive. Mr Curtis is an active cannabis sector executive, having recently served as Vice President of Corporate Finance of Dosecann (an investee company prior to its successful divestment by HGV in 2018) and Managing Partner of Parallax Ventures Inc. (the Asset Manager of HGV's investments). Mr Curtis was previously the Chief Operating Officer and Director of Embark Health Inc.
- e) **Other Listed Company Directorships:** Mr Curtis does not hold any other directorships with listed companies.

4.3 Independence

In accordance with Hygrovest's policy on independence for Non-Executive Directors, if re-elected the Board does not consider that Mr Curtis will be an independent Director in accordance with the Company's policy on independence for Non-Executive Directors.

4.4 Board recommendation

The Board has reviewed Mr Curtis performance since his appointment to the Board and considers that Mr Curtis's substantial experience in financial services and unlisted and listed financial markets materially adds to the Board's financial and investment expertise and oversight of the Company. Prior to submitting himself for election, Mr Curtis confirmed that he would continue to have sufficient time to properly fulfil his Director's duties for the Company. Accordingly, the Board supports the re-election of Mr Curtis and recommends that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – APPROVAL OF 7.1A MANDATE

5.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$15,866,825 (based on the number of Shares on issue and the closing price of Shares on the ASX on 3 October 2022).

Resolution 4 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 4 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

5.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 4:

(a) Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next Annual General Meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) Minimum price

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 5.2(b)(i), the date on which the Equity Securities are issued.

(c) Use of funds raised under the 7.1A Mandate

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate as cash consideration, for advancing the Company's existing operations including the acquisition of new investments (including expenses associated with such an acquisition), market analysis and investigation of investment opportunities, and the meeting of objectives under the Company's investment mandate and general working capital.

(d) **Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue or proposed to be issued as at 3 October 2022.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Dilution		
			Issue Price		
			\$0.035	\$0.069	\$0.10
			50% decrease	Issue Price	50% increase
Funds Raised					
Current	229,953,985 Shares	22,995,398 Shares	\$804,838	\$1,586,682	\$2,391,521
50% increase	344,930,978 Shares	34,493,097 Shares	\$1,207,258	\$2,380,023	\$3,587,282
100% increase	459,907,970 Shares	45,990,797 Shares	\$1,609,677	\$3,173,364	\$4,783,042

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 229,953,985 existing Shares as at the date of this Notice of Meeting.
2. The issue price set out above is the closing market price of the Shares on the ASX on 3 October 2022 (being \$0.069).
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its Annual General Meeting held on 17 December 2021 (**Previous Approval**).

During the 12 month period preceding the date of the Meeting, being on and from 17 December 2021, the Company has not issued any Equity Securities pursuant to the Previous Approval.

5.3 Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

6. RESOLUTION 5 – ISSUE OF PERFORMANCE RIGHTS TO PARALLAX VENTURES

As part of the consideration for Parallax’s services under the Management Agreement, the Company has agreed, subject to Shareholder approval, to issue to Parallax (or its nominee) 6,500,000 performance rights on the terms and conditions as at Schedule 1 (**Performance Rights**).

Michael Curtis, a Director of the Company, currently holds a 15.8% interest in Parallax and the Company also has the right to subscribe for a 4.7% interest in Parallax Ventures (for nominal consideration). Mr Curtis is Managing Partner of Parallax. His primary role is to scout for potential investments which are unavailable via traditional sources such as investment banks and private placements. Furthermore, Mr Curtis is also responsible for providing advice to Mr Mohan Nair relating to specific technical and commercial practices within the cannabis industry. Mr Nair is the Chief Investment Partner at Parallax and is independently empowered and ultimately responsible for all formal recommendations given to the Company’s Board. Recommendations will be presented in formal investment recommendation letters under the Parallax letterhead.

Notwithstanding the fact that Parallax is technically not a ‘Related Party’ (as defined in the Corporations Act and ASX Listing Rules), as a result of these relationships, ASX has discretion under ASX Listing Rule 10.11.5 to require Listing Rule 10.11 approval to the proposed issue of Performance Rights to Parallax (or its nominee).

Accordingly, Resolution 5 seeks Shareholder approval for the issue of the Performance Rights to Parallax (or its nominee).

6.1 Chapter 2E 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:

- (i) obtain the approval of the public company’s members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (ii) 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.

Whilst the Company does not consider that Parallax is a Related Party of the Company (as Michael Curtis does not have a controlling interest in Parallax), Michael Curtis will receive an indirect financial benefit as a result of Parallax being issued Performance Rights by virtue of his 15.8% interest in Parallax.

The Directors (other than Michael Curtis who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Performance Rights because the agreement to issue the Performance Rights, reached as part of the consideration payable to Parallax, was negotiated on an arm’s length basis and is considered to be reasonable remuneration in the circumstances.

6.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX’s opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As ASX has discretion to determine that the issue of the Performance Rights involves the issue of securities to a person whose relationship with the entity is, in ASX’s opinion, such that approval should be obtained, Shareholder approval pursuant to ASX Listing Rule 10.11 is required.

6.3 Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Performance Rights to Parallax within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Rights (because approval is being obtained under Listing Rule 10.11), the issue of the Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the Performance Rights and will need to negotiate alternate remuneration and incentive with Parallax.

6.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 5:

- (i) the Performance Rights will be issued to Parallax (or its nominee);
- (ii) the maximum number of Performance Rights to be issued is 6,500,000;
- (iii) the Performance Rights will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Performance Rights will occur on the same date;
- (iv) the Performance Rights will be issued for nil cash consideration, accordingly no funds will be raised; and
- (v) the terms and conditions of the Performance Rights are set out in Schedule 1.
- (vi) the Performance Rights are being issued to Parallax under the investment management services agreement, announced on 20 September 2022. A summary of the material terms of the services agreement is set out in Schedule 2; and
- (vii) a voting exclusion statement is included in Resolution 5 of the Notice.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Performance Rights as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Performance Rights to Parallax (or its nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

7. RESOLUTION 6 – REPLACEMENT OF CONSTITUTION

7.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 6 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

This will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted on 28 November 2019.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- incorporating changes in line with proposed amendments to the ASX Listing Rules; and
- ASX intends to replace CHESS with a new system that uses distributed ledger technology (CHESS Replacement).

CHESS currently records holder details in an unstructured format and as a result of the practical 180 character limit, many constitutions (including the current constitution) limit the number of registered joint holders to three joint holders for each security. After the CHESS Replacement, the system will have the functionality to record up to four joint holders for each security. In preparation for this enhancement, amendments are proposed to permit the Company to register four persons as joint holders.

- Amendments are proposed to provide greater flexibility to propose and implement capital management initiatives including non-cash dividends and capital returns.

The amendments also provide greater certainty around the mechanics of such distributions, including to ensure that a consistent regime of ancillary powers applies to the payment of non-cash dividends or the return of capital. This approach is consistent with other Australian listed companies.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website www.hygrovest.com.au and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 2 8098 0817). Shareholders are invited to contact the Company if they have any queries or concerns.

7.2 Summary of material proposed changes

Restricted Securities (clause 2.12)

The Proposed Constitution complies with the changes to Listing Rule 15.12 which took effect from 1 December 2019. As a result of these changes, ASX will require certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will permit the Company to issue restriction notices to holders of restricted securities in the form of the new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

Minimum Securityholding (clause 3)

Clause 3 of the Constitution outlines how the Company can manage securityholdings which represent an "unmarketable parcel" of securities, being a securityholding that is less than \$500 based on the closing price of the Company's securities on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with "unmarketable parcels" outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their securityholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

Joint Holders (clause 9.8)

CHESS is currently being replaced by ASX with a projected go-live date of April 2023. As part of the CHESS replacement, the registration system will be modernised to record holder registration details in a structured format that will allow up to four joint holders of a security. Clause 9.8 of the Proposed Constitution provides that the number of registered joint holders of securities shall be as permitted under the Listing Rules and the ASX Settlement Operating Rules.

Capital Reductions (clause 10.2)

The Proposed Constitution now permits sales of unmarketable parcels to a sale nominee as part of a capital reduction.

Use of technology (clause 14)

The Proposed Constitution includes a new provision to permit the use of technology at general meetings (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.

Partial (proportional) takeover provisions (new clause 37)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a Resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 6.

8. RESOLUTION 7 – ADOPTION OF INCENTIVE PERFORMANCE RIGHTS AND OPTIONS PLAN

8.1 General

Resolution 7 seeks Shareholder approval for the adoption of the employee incentive scheme titled “Incentive Performance Rights and Options Plan” (**Plan**) and for the issue of up to a maximum of 11,000,000 Performance Rights and Options under the Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Plan is to attract, motivate and retain key employees and the Company considers that the adoption of the Plan and the future issue of Performance Rights or Options under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

As summarised in Section 5.1 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity’s ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity’s notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 7 is passed, the Company will be able to issue Performance Rights and Options under the Plan to eligible participants over a period of 3 years. The issue of any Performance Rights or Options to eligible participants under the Plan (up to the maximum number of Securities stated in Section 8.2(d) below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of Performance Rights or Options under the Plan to a related party or a person whose relationship with the company or the related party is, in ASX's opinion, such that approval should be obtained.

If Resolution 7 is not passed, the Company will be able to proceed with the issue of Performance Rights and Options under the Plan to eligible participants, but any issues of Performance Rights or Options will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the Performance Rights or Options.

8.2 Technical information required by Listing Rule 7.2 (Exception 13)

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 7:

- (a) a summary of the key terms and conditions of the Plan is set out in Schedule 3;
- (b) the Company has not issued any Performance Rights or Options under the Plan as this is the first time that Shareholder approval is being sought for the adoption of the Plan; and
- (c) the Company is seeking Shareholder approval to adopt the Plan to:
 - (a) allow the Company to have the option to issue options; and
 - (b) include the new terms and conditions required by Division 1A of Part 7.12 of the Corporations Act, which replaced the previous relief provided by ASIC Class Order 14/1000 (Employee Incentive Scheme); and
- (d) the maximum number of Securities proposed to be issued under the Plan, following Shareholder approval, is 11,000,000 Securities. It is not envisaged that the maximum number of Securities for which approval is sought will be issued immediately.

GLOSSARY

\$ means Australian dollars.

7.1A Mandate has the meaning given in Section 5.1.

AEDT means Australian Eastern Daylight Time as observed in Sydney, New South Wales

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

AWST means Australian Western Standard Time as observed in Perth, Western Australia.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Cannabis Sector means the full range of emerging cannabis-related sectors including healthcare products, technology, infrastructure, logistics, processing, cultivation, equipment, research and development, hemp food products and retail

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Hygrovest Limited (ACN 601 236 417).

Constitution means the Company's constitution.

Corporations Act means the *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 accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether

executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Proxy Form means the Proxy Form accompanying the Notice.

Remuneration Report means the Remuneration Report set out in the Director's Report section of the Company's Annual Financial Report for the year ended 30 June 2022.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the formula in Listing Rule 7.1A.2.

SCHEDULE 1 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

(a) **Milestones:**

Subject to receipt of Company shareholder approval, the Company will issue Parallax Ventures Inc. (Parallax) 6,500,000 performance rights (**Performance Rights**), as soon as practicable after the date Shareholder approval is received, on the following terms:

(i) Subject to applicable tax and securities law compliance and completion of an audit of the Company's Net Asset Value, by an external auditor appointed by the Company, within 60 days of the applicable month end, the Performance Rights shall vest and be convertible by Parallax on a one-for-one basis, into Shares in two (2) tranches upon the Company achieving the following hurdles:

- a) the first tranche of 4 million Performance Rights ("**First Tranche**") will vest upon achieving a NAVS/SP Average of at least \$0.1147, (being a premium of at least 35% to the NAVS/SP Average on 30 June 2022 of \$0.0850); or
- b) in the event that the First Tranche does not vest due to the NAVS/SP Average not being achieved, the second tranche of 2.5 million Performance Rights ("**Second Tranche**") will vest upon achieving a NAVS of at least \$0.1430 (being a premium of at least 35% to the NAVS on 30 June 2022 of \$0.1059),

(together, the **Milestones**).

For the purpose of the Milestones, the NAVS/SP Average is calculated as the simple average of the audited Net Asset Value per Share ("NAVS") and the 20-trading day VWAP for Shares ("SP") at month-end. For the purpose of the Milestone calculation, the SP is required to be above the 20-trading day VWAP SP calculated as at 30 June 2022.

(ii) In order to determine if the NAVS/SP Average and the NAVS performance hurdles have been achieved:

- a) the month end NAVS will be determined (as at the close of business on the last day of every calendar month) and audited by an external auditor appointed by the Company; and
- b) the monthly VWAP of the Company's share price will be determined (as at the end close of trade on the last trading day of the calendar month),

then these two numbers will be combined and divided by two to ascertain whether the hurdle for the First Tranche has been achieved.

(iii) Where a Performance Right vests, Parallax will have six months to convert the Performance Right into Shares or the applicable Performance Right will lapse.

(iv) The Performance Right shall have a period of 15 months from 30 June 2022 to achieve the relevant Milestones vesting hurdles and will lapse immediately if the hurdle is not achieved at 30 September 2023.

(v) Subject to applicable tax and securities law compliance, the Company shall establish a trading program to settle Shares (upon conversion of the Performance Rights) for Parallax or any foreign citizens who would otherwise not be able to trade Shares directly.

(b) **Notification to holder:**

The Company shall notify the holder in writing when the relevant Milestones have been satisfied.

(c) **Vesting:**

The relevant Performance Rights shall vest on the later to occur of:

- (i) the date that the Milestone relating to that Performance Right has been satisfied; and
- (ii) the date that the holder gives a notice to the Company confirming that the holder would like the Performance Rights to vest.

(d) **Consideration:**

The Performance Rights will be issued nil consideration.

(e) **Conversion:**

Upon satisfaction of the relevant Performance Rights vesting, each Performance Right will, at the election of the holder, vest and convert into one Share.

(f) **Lapsing other than when Milestones are not satisfied:**

Where Parallax is no longer engaged by the Company after 30 September 2023 as a consultant for whatever reason, any unvested Performance Rights held will automatically lapse.

(g) **Share ranking:**

All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.

(h) **Listing of Shares on ASX:**

The Company will not apply for quotation of the Performance Rights on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the vesting of Performance Rights on ASX within the period required by ASX.

(i) **Transfer of Performance Rights:**

A Performance Right is only transferable with the prior written consent of the board or by force of law upon death to the holder's legal personal representative or upon bankruptcy to the holder's trustee in bankruptcy.

(j) **Participation in new issues:**

There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.

(k) **Adjustment for bonus issue:**

If securities are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the number of Performance Rights to which each holder is entitled, will be increased by that number of securities which the holder would have been entitled if the Performance Rights held by the holder were vested immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.

(l) **Adjustment for reconstruction:**

If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right (including the Milestones) are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

(m) **Dividend and Voting Rights:**

A Performance Right does not confer upon the holder an entitlement to vote or receive dividends.

SCHEDULE 2 – TERMS AND CONDITIONS OF INVESTMENT MANAGEMENT SERVICES AGREEMENT

- (a) **(Commencement):** The Company appointed Parallax on and from 1 July 2022 (**Commencement Date**).
- (b) **(Condition):** The Company agreed to seek Shareholder approval at its 2022 AGM for approval to issue the Performance Rights (the subject of Resolution 5). Either party may, by not less than 3 months' notice to the other, terminate this Agreement at any time if the Condition is not satisfied by the date which is 7 days following the date on which the Company holds its 2022 AGM (or any adjournment thereof).
- (c) **(Services):** Parallax will provide the Company with the following services:
- (i) provide reports to the Board detailing progress or findings on due diligence conducted. The primary objective of such reports is to:
 - (A) demonstrate to the Board that the proposed transaction fits within the projects, entities or businesses which present a strategic investment, pursuant to the Company's investment strategy, and which otherwise aligns with the approved investment strategy;
 - (B) satisfactorily outline the fundamental characteristics of the investment sector opportunity, scope and size of transaction;
 - (C) identify the rationale for pursuing the opportunity including estimated returns and transaction size criteria;
 - (D) consider the potential exit strategies in respect of the investment; and
 - (E) obtain approval from the Board to invest the investments of the Company (the **Portfolio**), from time to time;
 - (ii) provide reports to the Board;
 - (iii) undertake a review of the Portfolio as at the Commencement Date (and thereafter each calendar month) and provide a report to the Board detailing:
 - (A) Parallax's commercial view on each investment in the Portfolio;
 - (B) how Parallax considers it can add value to extract the best possible return out of each investment in the Portfolio; and
 - (C) Parallax's assessment on the potential exit strategy in relation to each investment in the Portfolio;
 - (iv) provide the Company with access to Parallax's key professional persons, being employees of Parallax that the parties agree from time to time is a key professional person, being initially Michael Curtis, and Mohan Nair, which access shall include but not be limited to assistance with deal sourcing within the investment sectors, including due diligence, deal negotiation, investment structuring, portfolio company monitoring and reporting, and representing the Company on Portfolio company boards where applicable;
 - (v) keep the Portfolio under regular review and confer at regular intervals with the Company regarding the Portfolio; and
 - (vi) keep proper books of accounts for the Portfolio recording transactions by Parallax in accordance with all applicable laws and generally accepted accounting standards and provide information regarding the Portfolio to assist the Company in the preparation of reports required under the applicable laws

- (d) **(Term):** The appointment of Parallax shall be for an initial term of one (1) year commencing on the Commencement Date, subject to rights of earlier termination or any subsequent extension **(Term)**.
- (e) **(Extension):** Provided that the Company is not currently in breach of the Investment Management Agreement, the Company may at its sole discretion extend the Term for a further period of up to 24 months by serving written notice on Parallax at least 30 days before the date of expiration of the initial one (1) year Term.
- (f) **(Exclusivity):** Parallax will provide the services to the Company on an exclusive basis during the Term. Parallax may not assign their obligations without the consent of the Company.
- (g) **(Consideration):** The Company must pay to Parallax annual fees, quarterly, in an amount equal to:
- (i) 0.50% per annum of the book value of the Company's investments as at 1 June 2019; and
- (ii) 1.5% per annum of the book value of the Company's investments that are added after 1 June 2019,

(together, **Management Fees**).

The Management Fees are capped annually at 1.0% per annum of the Company's year-end Net Asset Value.

Subject to Shareholder approval, up to 50% of any Management Fees may be satisfied by the issuance of Shares based on a 20-trading day VWAP for the Shares at the end of the last trading day of the applicable calendar quarter, at the Company's option.

Examples of the possible Management Fee payable (and the potential split between Shares and cash) are shown in the table below:

	Example Added Book Value					
	\$1m increase in Book Value		\$5m increase in Book Value		\$10m increase in Book Value	
0.5% of the book value as at 1 June 2019^{1,2}	\$344,076		\$344,076		\$344,076	
1% of the Example Added Book Value²	\$10,000		\$50,000		\$100,000	
Total Management Fee^{1,2,3,5}	\$354,076		\$394,076		\$444,076	
Percentage to be issued by Shares	Shares⁴	Cash	Shares⁴	Cash	Shares⁴	Cash
0% Shares/100% Cash	Nil	\$354,076	Nil	\$394,076	Nil	\$444,076
25% Shares/75% Cash	384,865	\$265,557	428,343	\$295,557	482,691	\$333,057
50% Shares/50% Cash	769,730	\$177,038	856,687	\$197,038	965,383	\$222,038

Notes:

1. The total book value as at 1 June 2019 was \$68,815,233.
2. The Management Fee is payable each quarter, however for the purposes of the table a total annual figure has been used.
3. Being the total of the book value as at 1 June 2019 and the respective example increase.
4. Assuming a 20-trading day VWAP of \$0.23.

5. The Management Fee is capped at 1% per annum of the year-end Net Asset Value. Based on a Net Asset Value of \$87,176,130 as at 1 June 2019, the Management Fee would be capped at \$871,761. This cap has not been incorporated into the above table.

Subject to receipt of Shareholder approval (the subject of Resolution 5), the Company will also issue Parallax 6,500,000 performance rights on the terms and conditions noted at Schedule 1.

- (h) **(Expenses):** The Company agrees to reimburse Parallax on request of all costs, charges and out-of-pocket expenses incurred by Parallax in connection with its performance of the services, subject to Parallax obtaining prior written approval from the Company before incurring any costs, charges or expenses in excess of \$5,000 per investment opportunity presented to the Board for approval.

- (i) **(Termination):**

Either party may terminate the Investment Management Agreement by providing 3 months' written notice.

Either party may immediately terminate the Investment Management Agreement at any time by notice to the other party if:

- (i) a receiver, receiver and manager, administrator or similar person is appointed with respect to the assets and undertaking of the other party;
- (ii) the other party goes into liquidation;
- (iii) the other party materially breaches any provision of the Investment Management Agreement and fails to correct such breach or failure within 30 business days of receiving notice of the breach or failure; or
- (iv) any representation or warranty made proves to be materially incorrect, untrue or misleading in any and the party at fault fails to rectify the default or breach 15 days after being notified of the default or breach.

The Company may immediately terminate the Investment Management Agreement at any time by notice to Parallax if any key professional person leaves the employment of Parallax without the Company's consent.

- (j) **(Variation):** The Investment Management Agreement may only be varied or replaced by a document executed by the parties, all material variations will be subject to approval of the Shareholders as required by the ASX Listing Rules.

- (k) **(Powers and discretions)** For the purpose of carrying out its functions and obligations under the Investment Management Agreement, Parallax is subject to the limitations imposed by the Parallax Management Agreement and the investment strategy, including:

- (i) Parallax must not knowingly do anything or omit to do anything prohibited by an applicable law to the extent that it concerns the functions and obligations of Parallax under the Investment Management Agreement;
- (ii) Parallax must not without the prior consent of the Company (and after having provided all information which the Company requires):
 - (A) commit the Company to invest in any new investment in the Portfolio or sell, dispose or encumber any investment in the Portfolio (other than in accordance with any delegation of authority by the Company or in any urgent situation);
 - (B) borrow cash or scrip on behalf of the Company except to cover the settlement of a transaction as permitted by the applicable law; or

- (C) invest in or lend to Parallax or any associate of Parallax any money or scrip forming part of the Portfolio, or invest in any interest in or arising out of any policy of insurance managed by Parallax.
- (l) **(Common investment of funds):** Subject to obtaining prior Board approval, Parallax may invest the Portfolio in investments managed by Parallax on behalf of other persons.
- (m) **(Scope of engagement):** For the avoidance of doubt, neither Parallax nor its affiliates shall be restricted from making investments or commercial arrangements, that do not involve the Company, in respect of:
 - (i) material ownership (i.e. greater than 20%) in any marijuana licenses offered by states, municipalities or federal governments for the purpose of cultivation, processing, extraction, testing, wholesaling and distribution;
 - (ii) an opportunity requiring an investment equal to the greater of 5% of the Company's net tangible assets from time to time and US\$5.0 million;
 - (iii) an opportunity proposed by Parallax to the Company, which the Company fails to approve within a 30-day period of receiving a report on such opportunity from Parallax;
 - (iv) an opportunity relating to nutraceutical assets or brands which do not contain cannabis or any cannabis derivative (such as hemp, cannabidiol or terpenes); and
 - (v) investments which are not affiliated with the investment sectors.
- (n) **(Confidentiality):** Parallax will not directly or indirectly disclose to any other person, any information that may be acquired by it under the Investment Management Agreement and must keep all such information confidential (except where required by law, where necessary for the performance of its obligations under the Investment Management Agreement or where the information is publicly available).
- (o) **(Parallax's Obligations):** In connection with the provision of the services under the Investment Management Agreement, Parallax shall:
 - (i) disclose to the Company any monetary benefits, fees or commissions, received by Parallax or by an associate or any related body corporate in relation to the Portfolio and account to the Company for any benefits, fees or commissions received;
 - (ii) obtain the prior written approval of the Company before taking on any advisory role (or any role that would result in Parallax or any of its officers, directors or employees being paid a fee) with any entity in which the Company has made an investment;
 - (iii) have in place adequate and appropriate arrangements for the management of conflicts of interest that may arise wholly, or partially, in relation to activities undertaken by Parallax under this Agreement; and
 - (iv) subject to applicable tax and securities law compliance, promptly remit or transfer, as applicable, to the Company any fees or compensation securities received by Parallax as remuneration for representing the Company on Portfolio company boards.
- (p) **(Ancillary Services):** Parallax warrants that it is not (and will not during the Term) become a party to any agreement under which it is, or may, become entitled to a commission, discount, allowance, rebate, brokerage or any other fee arising from, or in connection with, the investment, sale or purchase of any of the assets in the Portfolio that is not in the ordinary course of business, not on arm's length terms and not disclosed in full to the Company.
- (q) **(Insurance):** Parallax will take out at its own expense (during the Term and for a period of 7 years after the termination of the Investment Management Agreement), professional indemnity insurance covering such risks and for such amounts as would be maintained in accordance

with prudent business practice having regard to its obligations under the Investment Management Agreement.

- (r) **(Indemnity):** The Company will indemnify Parallax against any loss or liability arising out of any wilful breach of any obligation by, or the negligence, fraud or dishonesty of, the Company. Except in the case of negligence, wilful default, fraud or dishonesty, neither party will on any account be under any liability to the other by reason of it not having;
- (i) realised any specific price or reserve for any investment or property disposed of;
 - (ii) acquired any investment at a particular price regarding the Portfolio;
 - (iii) made or not made any investment decision; or
 - (iv) taken or not taken any action in respect of managing the Portfolio.

SCHEDULE 3 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS AND OPTIONS PLAN

A summary of the material terms of the Company's Employee Securities Incentive Plan (**Plan**) is set out below.

Eligible Participant	Eligible Participant means a person that is a 'primary participant' (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an Associated Body Corporate (as defined in the Corporations Act) and has been determined by the Board to be eligible to participate in the Plan from time to time.
Purpose	<p>The purpose of the Plan is to:</p> <p>1.1.1 assist in the reward, retention and motivation of Eligible Participants;</p> <p>1.1.2 link the reward of Eligible Participants to Shareholder value creation; and</p> <p>1.1.3 align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of securities.</p>
Plan administration	The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion (except to the extent that it prevents the Participant relying on the deferred tax concessions under Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth)). The Board may delegate its powers and discretion.
Eligibility, invitation and application	<p>The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for any (or any combination of) Options and Performance Rights provided under the Plan on such terms and conditions as the Board decides.</p> <p>On receipt of an invitation, an Eligible Participant may apply for the securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.</p> <p>If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.</p>
Grant of securities	The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number and type of securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
Rights attaching to securities	<p>Prior to an Option or Performance Right being exercised, the holder:</p> <p>(a) does not have any interest (legal, equitable or otherwise) in any Share the subject of the convertible security other than as expressly set out in the Plan;</p> <p>(a) is not entitled to receive notice of, vote at or attend a meeting of the shareholders of the Company;</p> <p>(b) is not entitled to receive any dividends declared by the Company; and</p> <p>(c) is not entitled to participate in any new issue of Shares (see Adjustment of convertible securities section below).</p>

Vesting of convertible securities	<p>Any vesting conditions applicable to the Options or Performance Rights will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant securities have vested. Unless and until the vesting notice is issued by the Company, the securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to an Option or Performance Right are not satisfied and/or otherwise waived by the Board, that security will lapse.</p>
Exercise of convertible securities and cashless exercise	<p>To exercise a security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise (see next paragraph below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Option or Performance Right (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.</p> <p>An invitation to apply for Options may specify that at the time of exercise of the Options, the Participant may elect not to be required to provide payment of the exercise price for the number of Options specified in a notice of exercise, but that on exercise of those Options the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Options.</p> <p>Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.</p> <p>An Option or a Performance Right may not be exercised unless and until that security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.</p>
Timing of issue of Shares and quotation of Shares on exercise	<p>As soon as practicable after the valid exercise of an Option or a Performance Right by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised securities held by that Participant.</p>
Restrictions on dealing with securities	<p>A holder may not sell, assign, transfer, grant a security interest over or otherwise deal with an Option or a Performance Right that has been granted to them unless otherwise determined by the Board. A holder must not enter into any arrangement for the purpose of hedging their economic exposure to an Option or a Performance Right that has been granted to them.</p> <p>However, in Special Circumstances as defined under the Plan (including in the case of death or total or permanent disability of the Participant) a Participant may deal with convertible securities granted to them under the Plan with the consent of the Board.</p>
Listing of convertible securities	<p>An Option or a Performance Right granted under the Plan will not be quoted on the ASX or any other recognised exchange. The Board reserves the right in its absolute discretion to apply for quotation of an Option granted under the Plan on the ASX or any other recognised exchange.</p>
Forfeiture of convertible securities	<p>Options and Performance Rights will be forfeited in the following circumstances:</p> <ul style="list-style-type: none"> (a) where a Participant who holds Options or Performance Rights ceases to be an Eligible Participant (e.g. is no longer employed or their office or engagement is discontinued with the Group), all unvested convertible securities will automatically be forfeited by the Participant; (b) where a Participant acts fraudulently or dishonestly, negligently, in contravention of any Group policy or wilfully breaches their duties to the Group;

	<p>(c) where there is a failure to satisfy the vesting conditions in accordance with the Plan;</p> <p>(d) on the date the Participant becomes insolvent; or</p> <p>(e) on the expiry date of the Options or Performance Rights.</p>
Change of control	<p>If a change of control event occurs, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the holder's Options or Performance Rights will be dealt with, including, without limitation, in a manner that allows the holder to participate in and/or benefit from any transaction arising from or in connection with the change of control event.</p>
Adjustment of convertible securities	<p>If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Options or Performance Rights will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.</p> <p>If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Options or Performance Rights is entitled, upon exercise of those securities, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Options or Performance Rights are exercised.</p> <p>Unless otherwise determined by the Board, a holder of Options or Performance Rights does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.</p>
Rights attaching to Shares	<p>All Shares issued or transferred under the Plan or issued or transferred to a Participant upon the valid exercise of an Option or a Performance Right, will rank equally in all respects with the Shares of the same class for the time being on issue except for any rights attaching to the Shares by reference to a record date prior to the date of the allotment or transfer of the Shares. A Participant will be entitled to any dividends declared and distributed by the Company on the Shares issued upon exercise of an Option or a Performance Right and may participate in any dividend reinvestment plan operated by the Company in respect of Shares. A Participant may exercise any voting rights attaching to Shares issued under the Plan.</p>
Disposal restrictions on Shares	<p>If the invitation provides that any Shares issued upon the valid exercise of an Option or a Performance Right are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.</p> <p>For so long as a Share is subject to any disposal restrictions under the Plan, the Participant will not:</p> <p>(a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Share; or</p> <p>(a) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.</p>
General Restrictions on Transfer of Shares	<p>If the Company is required but 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 or a Performance Rights 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 Act.</p>

	<p>Restrictions are imposed by applicable law on dealing in Shares by persons who possess material information likely to affect the value of the Shares and which is not generally available. These laws may restrict the acquisition or disposal of Shares by you during the time the holder has such information.</p> <p>Any Shares issued to a holder upon exercise of an Option or a Performance Right shall be subject to the terms of the Company's Securities Trading Policy.</p>
Buy-Back	<p>Subject to applicable law, the Company may at any time buy-back Options or Performance Rights and Shares issued upon exercise of Options or Performance Rights in accordance with the terms of the Plan.</p>
Employee Share Trust	<p>The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding securities for holders under the Plan and delivering Shares on behalf of holders upon exercise of Options or Performance Rights.</p>
Maximum number of securities	<p>The Company will not make an invitation under the Plan which involves monetary consideration if the number of Shares that may be issued, or acquired upon exercise of Options or Performance Rights offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan during the 3 year period ending on the day of the invitation, will exceed 5% of the total number of issued Shares at the date of the invitation (unless the Constitution specifies a different percentage and subject to any limits approved by Shareholders under Listing Rule 7.2 Exception 13(b)).</p>
Amendment of Plan	<p>Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.</p> <p>No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.</p>
Plan duration	<p>The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.</p> <p>If a Participant and the Company (acting by the Board) agree in writing that some or all of the securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those securities may be cancelled in the manner agreed between the Company and the Participant.</p>
Income Tax Assessment Act	<p>The Plan is a plan to which Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth) applies (subject to the conditions in that Act) except to the extent an invitation provides otherwise.</p>

Proxy Voting Form

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **9.00am (AWST) on Tuesday, 22 November 2022**, 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

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.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair 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 Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair 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.

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

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

Joint holding: Where the holding is in more than one name, all 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>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

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

or scan the QR code below using your smartphone

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



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