

Suite 9, 330 Churchill Avenue Subiaco WA 6008 Australia info@frugl.com.au fruglgroup.com.au

#### 24 January 2023

#### **GENERAL MEETING - NOTICE AND PROXY FORM**

#### **Dear Shareholder**

Frugl Group Limited is convening a General Meeting of shareholders to be held on Friday 24 February 2023 at 09:00am (WST) at Suite 9, 330 Churchill Avenue, Subiaco WA 6008 (**Meeting**).

The Company will only send hard copies of the Notice of Meeting to shareholders who have previously opted in to receiving physical copies. Instead, the Notice of Meeting can be viewed and downloaded from the website link:

https://www2.asx.com.au/markets/trade-our-cash-market/historical-announcements and by entering the code 'FGL'. You may vote by attending the Meeting in person, by proxy, or by appointing an authorised representative.

#### **Voting in Person**

To vote in person, attend the Meeting on the date and at the place as set out above. If possible, Shareholders are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, so that the Company may check the Shareholders' holding against the Company's share register and note attendance.

#### **Voting by Proxy**

Appointment of Proxy: Shareholders who are entitled to attend and vote at the Meeting, may appoint a proxy to act generally at the Meeting and to vote on their behalf. The proxy does not need to be a Shareholder. A Shareholder that is entitled to cast two or more votes may appoint two proxies and should specify the proportion of votes each proxy is entitled to exercise. If a Shareholder appoints two proxies, each proxy may exercise half of the Shareholder's votes if no proportion or number of votes is specified.

Voting by proxy: A Shareholder can direct its proxy to vote for, against or abstain from voting on each Resolution by marking the appropriate box in the voting directions to your proxy section of the Proxy Form. If a proxy holder votes, they must cast all votes as directed. Any directed proxies that are not voted will automatically default to the Chairman, who must vote the proxies as directed in the Proxy Form. Proxy Forms must be received by 09:00am (WST) on 22 February 2023.

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. If you have any difficulties obtaining a copy of Notice of Meeting please contact the Company's share registry, Automic Group on, 1300 288 664 (within Australia) or +61 2 9698 5414 (Overseas). To comply with Federal and State government restrictions on social gatherings, the Company may need to admit a limited number of persons to the Meeting. There is a risk that shareholders intending to attend the physical Meeting may not be admitted, depending on the number of Shareholders who wish to physically attend the Meeting. Therefore, the Company strongly encourages all shareholders to submit their directed proxy votes in advance of the Meeting.

Yours faithfully,

Jonathan Wild Chairman



# FRUGL GROUP LIMITED ACN 096 870 978 NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

**TIME**: 9:00 am (WST)

**DATE**: 24 February 2023

**PLACE**: Suite 9, 330 Churchill Avenue, Subiaco WA 6008

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

This Notice 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 on 22 February 2023.

# BUSINESS OF THE MEETING

#### **AGENDA**

# 1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF TRANCHE 1 PLACEMENT SHARES – LISTING RULE 7.1

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 7.4 and for all other purposes, Shareholders ratify the issue of 39,727,440 Shares on the terms and conditions set out in the Explanatory Statement."

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

#### 2. RESOLUTION 2 – APPROVAL TO ISSUE TRANCHE 2 PLACEMENT SHARES

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 7.1 and for all other purposes, approval is given for the Company to issue 391,522,560 Shares on the terms and conditions set out in the Explanatory Statement."

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

# 3. RESOLUTION 3 – APPROVAL TO ISSUE PLACEMENT OPTIONS

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

"That, subject to the passing of Resolutions 1 and 2, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 215,625,000 Options on the terms and conditions set out in the Explanatory Statement."

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

# 4. RESOLUTION 4 – ISSUE OF DEBT CONVERSION SHARES AND OPTIONS TO RELATED PARTY – MR MAT WALKER

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

"That, for the purposes of Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 68,750,000 Shares and 34,375,000 Options to Mr Mat Walker in satisfaction of debt owing to Mr Walker, and otherwise 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: 24 January 2023

By order of the Board

Jonathan Wild Chairman

#### **Voting Prohibition Statements**

Resolution 4 –
Issue of Debt
<b>Conversion Shares</b>
and Options to
Related Party - Mr
Mat Walker

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (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.

However, the above prohibition does not apply if:

(a) the proxy is the Chair; and

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:

Resolution 1 – Ratification of prior issue of Tranche 1 Placement Shares	A person who participated in the issue or is a counterparty to the agreement being approved (namely the Participants) or an associate of that person or those persons.
Resolution 2 – Approval to issue Tranche 2 Placement Shares	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely the Participants) or an associate of that person (or those persons).
Resolution 3 – Approval to issue Placement Options	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely the Participants) or an associate of that person (or those persons).
Resolution 4 – Issue of Debt Conversion Shares and Options to Related Party – Mr Mat Walker	Mr Mat Walker (or his 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.

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.

#### 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 or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two 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.

#### Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

You may still attend the Meeting and vote in person even if you have lodged appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the Meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that Resolution.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the Meeting. If you do not bring your Proxy Form with you, you can still attend the Meeting but representatives from the Company will need to verify your identity. You can register from 8:45 am on the day of the Meeting.

Should you wish to discuss the matters in this Notice please do not hesitate to contact the Company Secretary on +61 8 6489 1600

# **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. BACKGROUND TO RESOLUTIONS 1 TO 3 - PLACEMENT

#### 1.1 Overview

On 11 January 2023, the Company announced that it had received firm commitments for a placement to institutional, sophisticated and professional investors (**Placement**) to raise \$1,725,000 via the issue of 431,250,000 Shares (**Placement Shares**) at an issue price of \$0.004 per Share, together with free attaching Options on a 1 for 2 basis, each with an exercise price of \$0.01 and expiring on 31 December 2025 (**Placement Options**).

The Placement comprises of two tranches, being:

- (a) Tranche 1 under which the Company issued 39,727,440 Shares on 16 January 2023 at an issue price of \$0.004 per Share utilising the Company's existing placement capacity under ASX Listing Rule 7.1 to raise approximately \$158,910 (Tranche 1 Placement Shares); and
- (b) Tranche 2 under which the Company will issue up to 391,522,560 Shares at an issue price of \$0.004 per Share, subject to shareholder approval, to raise approximately \$1,566,090 (Tranche 2 Placement Shares).

The Placement Options will be issued free attaching to the Placement Shares subject to Shareholder approval as follows:

- (a) 19,863,700 Options will be issued free attaching to the Tranche 1 Placement Shares; and
- (b) 195,761,280 Options will be issued free attaching to the Tranche 2 Placement Shares.

#### 1.2 Use of Funds

Proceeds from the Placement will be applied towards the following purposes:

- (a) supporting the marketing of Frugl Grocery App;
- (b) commercialisation of the Frugl Market Analytics Retail Platform;
- (c) expansion of the Frugl Market platform into Southeast Asia;
- (d) repayment of borrowings; and
- (e) general working capital

# 2. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF TRANCHE 1 PLACEMENT SHARES – LISTING RULE 7.1

# 2.1 General

As set out in Section 1.1, on 16 January 2023, the Company issued 39,727,440 Tranche 1 Placement Shares pursuant to the Company's capacity under Listing Rule 7.1 (being the subject of Resolution 1).

# 2.2 Listing Rule 7.2

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 shares it had on issue at the start of that period.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 30 November 2022.

The issue of the Tranche 1 Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Tranche 1 Placement Shares.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares.

Resolution 1 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares.

# 2.3 Technical information required by Listing Rule 14.1A

If Resolution 1 is passed, the Tranche 1 Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Placement Shares.

If Resolution 1 is not passed, the Tranche 1 Placement Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can

issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Placement Shares.

# 2.4 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- (a) the Tranche 1 Placement Shares were issued to professional and sophisticated investors who were identified through a bookbuild process, which involved the Board seeking expressions of interest to participate in the Placement from existing and new investors (**Participants**). None of these Participants are related parties of the Company;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;
- (c) 39,727,440 Tranche 1 Placement Shares were issued and the Tranche 1 Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Tranche 1 Placement Shares were issued on 16 January 2023;
- (e) the issue price was \$0.004 per Tranche 1 Placement Share. The Company has not and will not receive any other consideration for the issue of the Tranche 1 Placement Shares;
- (f) the purpose of the issue of the Tranche 1 Placement Shares was to raise \$158,910, which will be applied towards the purposes set out above in Section 1.2;
- (g) the Tranche 1 Placement Shares were not issued under an agreement.

# 3. RESOLUTION 2 – APPROVAL TO ISSUE TRANCHE 2 PLACEMENT SHARES

# 3.1 General

As set out above in Section 1.2, the Company is proposing to issue 391,522,560 Tranche 2 Placement Shares.

# 3.2 Listing Rule 7.2

As summarised in Section 2.2 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.

The proposed issue of the Tranche 2 Placement Shares does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

# 3.3 Technical information required by Listing Rule 14.1A

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Tranche 2 Placement Shares. In addition, the issue of the Tranche 2 Placement Shares 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.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of the Tranche 2 Placement Shares and the Company will consider alternative forms of fundraising.

Resolution 2 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Tranche 2 Placement Shares.

# 3.4 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 2:

- (a) the Tranche 2 Placement Shares were issued to Participants identified through a bookbuild process, which involved the Board seeking expressions of interest to participate in the Placement from the Participants. None of these Participants are related parties of the Company;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients of the Tranche 2 Placement Shares will be:
  - related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties (other than Mat Walker in respect of which separate approval is sought under Resolution 4 of this Notice); and
  - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Tranche 2 Placement Shares to be issued is 391,522,560. The Tranche 2 Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Tranche 2 Placement Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Tranche 2 Placement Shares will occur on the same date;
- (e) the issue price of the Tranche 2 Placement Shares will be \$0.004 per Tranche 2 Placement Shares. The Company will not receive any other consideration for the issue of the Tranche 2 Placement Shares;
- (f) the purpose of the issue of the Tranche 2 Placement Shares is to raise \$1,566,090, which will be applied towards the purposes set out above in Section 1.2;
- (g) the Tranche 2 Placement Shares were not issued under an agreement; and

(h) the Tranche 2 Placement Shares are not being issued under, or to fund, a reverse takeover.

#### 4. RESOLUTION 3 – APPROVAL TO ISSUE PLACEMENT OPTIONS

#### 4.1 General

As set out above in Section 1.1, the Company is proposing to issue 215,624,980 free attaching Placement Options exercisable at \$0.01 each on or before 31 December 2025. The Options are being issued free attaching to the Placement Shares on a 1 for 2 basis.

## 4.2 Listing Rule 7.2

As summarised in Section 2.2 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.

The proposed issue of the Placement Options does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

# 4.3 Technical information required by Listing Rule 14.1A

Subject to the passing of Resolutions 1 and 2, if Resolution 3 is passed, the Company will be able to proceed with the issue of the Placement Options. In addition, the issue of the Placement Options 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.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the Placement Options and the Company will consider alternative ways to appropriately rewards the Participants for their participation in the Placement.

Resolution 3 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Placement Options.

Resolution 3 is interdependent on Resolutions 1 and 2. As such, if Resolution 3 is passed but Resolutions 1 and 2 are not passed, the Company will not be able to proceed with the issue of the Placement Options.

#### 4.4 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) The Placement Options were issued to Participants who were identified through a bookbuild process, which involved the Board seeking expressions of interest to participate in the Placement from the Participants. None of these Participants are related parties of the Company;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the

Company, advisers of the Company or an associate of any of these parties; and

- (ii) issued more than 1% of the issued capital of the Company (other than Mat Walker in respect of which separate approval is sought under Resolution 4);
- (c) the maximum number of Placement Options to be issued is 215,624,980. The terms and conditions of the Placement Options are set out in Schedule 1;
- (d) the Placement Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Placement Options will occur on the same date;
- (e) the Placement Options will be issued as free-attaching options pursuant to the Placement. The Company will not receive any consideration for the issue of the Placement Options (other than in respect of funds received on exercise of the Placement Options);
- (h) the purpose and use of funds raised from the Placement Shares (which the Placement Options are being issued free attaching to) is set out above in Section 1.2;
- (f) the Placement Options are not being issued under an agreement; and
- (g) the Placement Options are not being issued under, or to fund, a reverse takeover.

# 5. RESOLUTION 4 – ISSUE OF DEBT CONVERSION SHARES AND OPTIONS TO RELATED PARTY – MR MAT WALKER

#### 5.1 General

On 18 July 2022, the Company entered into a binding loan facility agreement with Mr Mat Walker, a Director of the Company, pursuant to which Mr Walker agreed to advance a loan to the Company (**Director Loan**). The material terms of the Director Loan (as amended from time to time) are as follows:

- (a) principal amount: \$1,000,000;
- (b) interest rate: 1% per month payable monthly in arrears, secured against the Company's 2022 Financial Year Research and Development Offset Rebate; and
- (c) repayable on the earlier of:
  - (i) the Company completing a capital raising of no less than \$2,000,000; or
  - (ii) 30 June 2023.

The Director Loan was on terms considered otherwise standard for an agreement of this nature.

The Company is now seeking approval from Shareholders to convert \$275,000 of the Director Loan into equity on the same terms as the Placement, being:

- (a) 68,750,000 Shares at \$0.004 per Share (**Debt Conversion Shares**); and
- (b) 34,375,000 free attaching Options (**Debt Conversion Options**),

(together, the **Debt Conversion Securities**).

Once issued, the Debt Conversion Shares will rank equally with the Company's existing fully paid ordinary shares on issue. The terms of the Debt Conversion Options are set out in Schedule 1.

Resolution 4 seeks Shareholder approval for the issue of up to 68,750,000 Debt Conversion Shares to Mr Walker (or his nominee) and 34,375,000 Debt Conversion Options to Mr Walker (or his nominee).

# 5.2 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:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The passing of Resolution 4 will result in the issue of Debt Conversion Securities which constitutes giving a financial benefit and Mr Walker, is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Walker, who has a material personal interest in the Resolution 4) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Debt Conversion Securities because the agreement to issue these Debt Conversion Securities was negotiated on an arm's length basis (on the same terms as the Placement).

#### 5.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or

10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The Issue of Debt Conversion Securities falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 4 seeks Shareholder approval for the Issue under and for the purposes of Listing Rule 10.11.

# 5.4 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Debt Conversion Securities to Mr Walker 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 Debt Conversion Securities (because approval is being obtained under Listing Rule 10.11), the issue of the Debt Conversion Securities will not use up any of the Company's 15% annual placement capacity.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the Debt Conversion Securities and the Company will seek to repay the loan in cash.

# 5.5 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 4:

- (a) the Debt Conversion Securities will be issued to Mr Walker (or his nominee), who falls within the category set out in Listing Rule 10.11.1, as Mr Walker is a related party of the Company by virtue of being a Director;
- (b) the maximum number of Debt Conversion Shares to be issued to Mr Walker (or his nominee) is 68,750,000 Shares and the maximum number of Debt Conversion Options to be issued to Mr Walker (or his nominee) is 34,375,000 Options;
- (c) the Debt Conversion Shares to be issued are fully paid ordinary shares in the capital of the Company, ranking equally with existing Shares on issue;
- (d) the Debt Conversion Options will be issued on the terms and conditions set out in Schedule 1, being the same terms as the Placement Options;
- (e) the Debt Conversion Securities 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 Listing Rules) and it is intended that issue of the Debt Conversion Securities will occur on the same date;
- (f) the Debt Conversion Shares will be issued at an issue price of \$0.004 per Share, being the same issue price as Shares issued under the Placement, to convert \$275,000 of the Director Loan;
- (g) the Debt Conversion Options will be issued at a nil issue price;

- (h) the Debt Conversion Securities are issued to Mr Walker as partial repayment of the Director Loan under the Facility;
- (i) the total remuneration package for Mr Walker for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Related Party	Current Financial Year Ending 30 June 2023	Previous Financial Year Ended 30 June 2022
Mr Walker	120,000 1	\$120,0001

#### Notes:

- 1. Directors' salary of \$120,000.
- (j) the Debt Conversion Securities are not being issued under an agreement; and
- (k) a voting exclusion statement is included in Resolution 4 of the Notice.

# **GLOSSARY**

\$ means Australian dollars.

**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.

**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.

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 Frugl Group Ltd (ACN 096 870 978).

**Constitution** means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

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

**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.

**Meeting** means the meeting convened by the Notice.

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

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

Participants has the meaning given in Section 2.4 of this Notice.

**Placement** means the placement of Shares and free attaching Options by the Company as announced on 10 January 2023.

**Proxy Form** means the proxy form accompanying the Notice.

**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.

WST means Western Standard Time as observed in Perth, Western Australia.

# **SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS**

# (a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

#### (b) Exercise Price

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.01 (Exercise Price)

# (c) Expiry Date

Each Option will expire at 5:00 pm (WST) on 31 December 2025 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

# (d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

#### (e) Notice of Exercise

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

# (f) Exercise Date

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

# (g) Timing of issue of Shares on exercise

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

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company

must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

# (h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

# (i) Reconstruction of capital

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

# (j) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

## (k) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

# (I) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.



Frugl Group Limited | ABN 80 096 870 978

# **Proxy Voting Form**

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

Holder Number:

Your proxy voting instruction must be received by **9.00am (WST) on Wednesday, 22 February 2023,** 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/#/log insah

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.



# BY MAIL:

Automic GPO Box 5193

Sydney NSW 2001

## IN PERSON:

Automic

Level 5, 126 Phillip Street Sydney NSW 2000

#### BY EMAIL:

meetings@automicgroup.com.au

#### BY FACSIMILE:

+61 2 8583 3040

#### All enquiries to Automic:

WEBSITE: https://automicgroup.com.au/

**PHONE:** 1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)

STEP 1 - How to vote			
APPOINT A PROXY:  I/We being a Shareholder entitled to attend and vote at the General Meeting of Frugl Group Limited, to be held at 9.00am (WST) on Friday, 24 February 2023 at Suite 9, 330 Churchill Avenue, Subiaco WA 6008 hereby:			
Appoint the Chair of the Meeting (Chair) OR if you are not appointing the Chair of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.			
The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.  Unless indicated otherwise by ticking the "for"," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.  AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS  Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 4 (except where I/we have indicated a different voting intention below) even though Resolution 4 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.			
STEP 2 – Your voting direction  Resolutions  For Against Abstain			
1. Ratification of Prior Issue of Tranche 1 Placement Shares — Listing Rule 7.1			
2. Approval to Issue Tranche 2 Placement Shares			
3. Approval to Issue Placement Options			
4. Issue of Debt Conversion Shares and Options to Related Party – Mr Mat Walker			
STEP 3 – Signatures and contact details			
Individual or Securityholder 1 Securityholder 2 Securityholder 3  Sole Director and Sole Company Secretary Contact Name:  Email Address:			
Contact Daytime Telephone  Date (DD/MM/YY)			

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).

БF